

# The NATIONAL UNDERWRITER



One for the raised eyebrow department? You'll probably think so if the AG or EMPIRE isn't one of *your* companies. But ask any of our several thousand satisfied agents (26% with us over 20 years). They'll tell you *the AG-EMPIRE man is an agent's man . . .* always ready to pitch in, to help you sell, to advise on rates and forms, to do any other job that requires help or a company decision. From top to bottom, the AG-EMPIRE operation is streamlined — uncluttered by red tape and geared to give you quick, efficient service, with decisions on the spot. Agents say they like it that way.

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*Every Type of Property Insurance for Commerce, Industry and the Home*

THURSDAY, AUGUST 24, 1950

Makes you feel  
like Santa Claus—  
twelve months in the year!



Saint Nick himself couldn't be more welcome than you when you tell a client to forget about that stack of doctor and hospital bills he received after an accident or illness.

You can help safeguard the family savings and income by providing a Travelers Accident and Sickness policy. Under its liberal provisions you can promise your customers that they will never be faced with financial disaster because of a disabling and expensive accident or illness.

Your clients with large families will appreciate the feature of Travelers Accident and Sickness insurance which provides a weekly income in the event of their disability.

The best Accident and Sickness insurance comes from—

**THE TRAVELERS INSURANCE COMPANY**  
HARTFORD, CONNECTICUT

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## Cal. Order on Rate Revisions Causes Concern

### Insurers Required to Initiate Refunds on All Eligible Policies

Fire and casualty companies are seriously concerned by the order of Commissioner Downey of California requiring insurers to see to it that all eligible policies benefiting from the fire insurance rate revision of June 16, 1948, and from the extended coverage rate revision of Oct. 1, 1949, are granted rate reductions. Mr. Downey states that some fire companies have been notified that their practice of granting rate reductions to some but not all eligible policies constitutes unfair discrimination and violates the California law. He goes on to say that he expects all insurers to review their practices in applying rate revisions and to amend or endorse all eligible policies to reflect such rate changes.

A review and report of the insurers' practice in applying rate revisions will be a part of all rating and underwriting examinations made by the bureau of rate regulation of the department, he states.

Mr. Downey declares that the department received complaints on this score and made an investigation that revealed widespread inconsistencies in the correcting or changing of policies effected by rate changes or rate revisions. Mr. Downey states that unless an insurer adopts or makes reasonable underwriting rules for effecting rate changes or rate revisions and then consistently adheres to such rules, it would be deemed to have violated the insurance law prohibiting unfair discrimination.

#### Anti-Discrimination Rule

Mr. Downey asserts the belief that the anti-discrimination provision of the rating law requires the application of rate changes to all policies eligible therefor under the insurer's rule for effecting rate changes or revisions. The practice of effecting such changes on eligible policies only upon request of the insured or producer and not on all eligible policies is unfairly discriminatory, he charges.

The company people are looking into the implications of this order thoroughly. There is one consideration that the Downey order is not in accord with some of the exclusions in the policy contract and that complying with the order constitutes a change in the contract that is not authorized unless the insured requests the change.

Mr. Downey's order does not refer to application of rate increases.

## 40% of Buffalo Shares Turned In

**BUFFALO**—So far 40% of the stock of Buffalo Ins. Co. has been turned in for purchase by General of Trieste & Co., which has offered to buy all of the stock in the company. Deadline for turning in stock is Aug. 31.

The Welch-Walton agency and the C. Ayers agency of Watertown, N.Y., have been consolidated.

## Agents Feast on Ideas at U. of Conn. Conference

By THOMAS J. GARTLAND

**STORRS, CONN.**—A panel of experts told 36 agents from 11 states and Canada how to use new sales and managerial techniques, how to utilize old ones and how to save money in agency operations at the fourth Advanced Agency Management Institute held at the University of Connecticut here.

The five-day conference was sponsored by the university's school of business administration, its dean, Laurence J. Ackerman, and assistant dean, Samuel C. McMillan; the National Association of Insurance Agents and its educational director, Clarence Rauter, and the Connecticut Assn. of Insurance Agents and its secretary, William H. Wiley. It was a complete success.

#### Problem of Agency Form

Many agents are faced with the problem of whether or not to incorporate their agencies. There are no hard and fast rules, Mr. Ackerman stated. Each agency must be analyzed on an individual basis. Generally speaking, it may be best to commence an agency in the unincorporated form because of the greater advantage in offsetting losses against income.

In analyzing the respective advantages of the incorporated versus the unincorporated form four approaches are possible. First, there is the area of legal difference; second, the area of management control and flexibility; third, credit considerations; fourth, tax considerations.

The sole proprietorship is the simplest form of business organization. Except for state licensing requirements, the agent can embark on an insurance career, as a sole proprietor, without any agreements or any formality problems.

#### Organizing Cost Not Deductible

Legal formality begins with the partnership, which requires an agreement, oral or written. The corporation involves the greatest formality and cost. Absolute compliance with state statutes of incorporation, minimum numbers of stockholders, by-laws, etc. are necessary. Furthermore, the expense of organizing a corporation is not deductible as a business expense for tax purposes.

He minimized the advantages often suggested for corporations of limited liability and indefinite life. He indicated that there were generally two types of liability; tort and contractual. For the former, insurance could be carried. In the latter case, few creditors are willing to deal with a small, closely held corporation without insisting on a personal liability of the owner corporation. Further, stockholders might be held liable as partners for corporate debts if the corporation is improperly organized, if the corporation commits an ultra vires act, or if there is fraud involved in the transaction.

#### More Red Tape

The corporation is more closely supervised by the state than a sole proprietorship or a partnership. It generally is required to submit more records of its activities and more tax returns than its two rival forms of business activity. State laws are quite detailed, covering such items as dividend distribution, reduction or increase in capital stock, disposition of the assets of the corporation through liquidation of sale. In the case of the sole proprietor or the partnership, these are purely internal matters.

Legal characteristics of the corporate investment permit more flexibility in its

manipulation than the partnership investment. For example, a stockholder can increase, decrease or get rid of his proportionate interest in the corporation with very little formality and, generally, the consent of no one. A partner, on the other hand, can't increase or decrease his interest in the partnership without the consent of his fellow partners. The partner can withdraw from the partnership only by mutual agreement of the other partners, or in accordance with the partnership agreement. Further, there are involved arrangements necessary to provide against a withdrawing partner's continuing liability.

From a tax viewpoint, there is no one universally best form of business organization. The approach must be based not only on present conditions, but on the tax events of tomorrow.

#### Starts Lower, Goes Higher

In the unincorporated form the sole proprietor or partner is subject to the individual tax rates. These start at 16.60% and run to 82.1275%. The corporation rates presently start at 21% and run to 38%. Thus the individual rates start at a lower level, but rise to a higher point.

The second fundamental difference lies in the fact that the unincorporated form is not treated as a taxable entity distinct from its owners, whereas corporations are. This creates the spectre of double taxation in the corporate form. The corporation pays an income tax on its earnings and then when it distributes its profits to the stockholders in the form of dividends, they are subject to income tax on these distributions. In essence, there is a double tax on the same earnings.

Mr. Ackerman pointed out that the Treasury Department insists on the reasonableness of salaries paid to corporate officers. He said the bureau of internal revenue scrutinizes carefully those corporations that have not distributed at least 70% of their earnings as dividends; that have made large loans to shareholders; that are closely held corporations; that have made investments in items having no reasonable connection with the corporate business.

#### Effect on Contributions

Contributions to charitable, religious, educational and other non-profit organizations are deductible up to 5% of net income for corporations and up to 15% of adjusted gross income for the unincorporated form.

Corporations offer an attractive environment for splitting income among family members through a bona fide gift of stock.

Corporations can pay their taxes within 2½ months after the close of their annual period on a quarterly basis. This is an advantage over the unincorporated form which is pay-as-you-go. Partners can mitigate this corporate advantage through the proper selection of a fiscal year. The unincorporated form could not take advantage of the pension and profit-sharing sections of the Internal Revenue Code for the owners. Further, they lose the benefit of social security, state disability law coverage, and workmen's compensation.

He set forth a number of suggestions to protect the agent and his attempt to deduct for agency entertainment expenses.

In selling agencies where large sums of money might be involved he told of the possible advantage of qualifying under the installment sale provision of

(CONTINUED ON PAGE 23)

## Insurers Get in Licks at Wis. Rate Cut Rehearing

### Reductions Called Excessive; Errors in Expe- rience Figures Charged

**MADISON**—The \$1,036,000 reductions in fire insurance rates in Wisconsin which were ordered by Commissioner Lange on July 17 and which were to take effect on Sept. 1 were branded as being excessive at the rehearing conducted by the state. The claim was made that the limitations on net earnings of 2½% were unfair and unreasonable and the insurance commissioner was asked to revise his order and establish higher rates.

Attorney Robert M. Rieser of Madison, appearing for Fire Insurance Rating Bureau of Milwaukee, which represents some 93% of the insurers affected, said that the reductions ranging from 5 to 25% were excessive and should be changed. He also pointed out that the original petition for a rate slash had been made by officials of the city of Milwaukee and that it was wrong to include the rest of the state. It was also stated that errors had been made in computing the loss ratio.

#### Charges Dilatory Tactics

In opposition, Assistant City Attorney Harry Slater, Milwaukee, charged that the counsel for the companies had requested the rehearing for the purpose of engaging in "dilatory tactics" and to stall off the revision as long as possible. He also insisted that if the rehearing was to proceed, representatives of the other 13 principal cities affected should be given the opportunity to be heard. In addition, he asked that if the matter was to be reopened only new material and testimony should be admitted.

Mr. Rieser replied that he had asked for the rehearing only to give the state the opportunity to reconsider the matter instead of taking an appeal to the Dane county circuit court. Under Wisconsin law the insurance companies have the right to appeal to the courts, including the state supreme court, which they are likely to do in case the order is not changed.

#### Timbers Explains Revisions

Charles J. Timbers, deputy insurance commissioner, on the witness stand explained at length how the revisions were arrived at. Under questioning of Commissioner Lange it was brought out that the rate investigation was started as early as January of 1949 because it appeared that certain territories were "carrying too big a load" in connection with premiums received, loss payments, and ratio percentages. He testified that in 1949 the companies affected had premiums of \$23,235,543 as against loss payments of \$8,159,225. Leaving a loss ratio of 35.12 during the last five-year period the total premium collections amounted to \$102,253,146; loss payments were \$41,324,467, and loss ratio 40.41, he said. Quoting other figures, he stated that the permissible loss ratio would be 49.2 and allowable reduction 6.36%. He cited the national insurance commissioner's rate recom-

(CONTINUED ON PAGE 10)

## LOYALTY GROUP CHANGES

## Blickenstaff, Gee, Perkins, Eppler Are Advanced

Loyalty Group has made a number of important managerial changes in the western department.

Arch L. Blickenstaff, state agent in New Mexico, has been transferred to the western department and becomes secretary of all companies and assistant to Lloyd W. Brown, 2nd vice-president.

James I. Perkins, who has been man-

ager of the Cook county office, has been named secretary of all companies and assistant to O. B. Brown, 2nd vice-president.

Lloyd Eppler, central and southern Illinois state agent, has been appointed manager of the Cook county office succeeding Mr. Perkins.

Harold F. Gee, assistant secretary in the western department, has been transferred to the home office where he will have an official position with the title of 2nd vice-president.

All the changes are effective Oct. 1.

Mr. Blickenstaff started in insurance with a local agency at Hutchinson, Kan., in 1935. He joined Loyalty Group in 1941 as special agent in Kansas and was state agent in Oklahoma

until 1946 when he took over the New Mexico field. He has been active in field activities and is custodian of the New Mexico Blue Goose.

Mr. Perkins started with the Pioneer agency at Lebanon, Ind., in 1939. He traveled Indiana and Ohio fields for two years before joining Loyalty Group in 1942 as special agent at Indianapolis. After two years in the army he returned as Indiana special agent and in 1947 became assistant manager at Indianapolis. He was appointed assistant Cook county manager in April and has been manager since June.

Mr. Eppler traveled in Michigan and Illinois for Continental before joining Loyalty Group in 1937 as Illinois state agent. He is president of Illinois Fire Prevention Assn., past president of Illinois Field Club and is custodian of Illinois Blue Goose, as well as past bull-frog of the Springfield puddle.

Mr. Gee joined Aetna Casualty at Hartford as special agent after graduating from Rhode Island State College in 1923. He was bond manager for Standard Accident at Boston for two years before joining Loyalty Group as Cleveland bond manager in 1929. In 1936 he was named Cook County bond manager and the following year became casualty manager for Indiana and Kentucky. In 1941 he was named manager of all companies in St. Louis and in 1946 was transferred to Chicago as assistant secretary supervising casualty and surety lines. He is the author of "Agents Bonding Guide," "Agents Casualty Guide," "Agents Automobile Guide," and a primer on the comprehensive 3-D policy.

## Illinois, N. M., Field Changes

Loyalty Group has made changes in the New Mexico and Illinois fields. In New Mexico, Richard M. Cottrill and James C. Padon, who have been special agents assisting Mr. Blickenstaff, become state agents. Mr. Cottrill becomes state agent for Firemen's and Girard F. & M. and the casualty companies. He attended University of New Mexico and is an army veteran. He joined Loyalty Group in 1948 after experience with a local agency.

Mr. Padon becomes state agent for Milwaukee Mechanics and National Ben Franklin, as well as the casualty companies. Before joining Loyalty Group he had field and office experience. George M. Petty and George E. Mangan, who had been assisting Mr. Eppler in central and southern Illinois, have been named state agents in that field.

Mr. Petty will travel for Milwaukee Mechanics, Girard F. & M., and Pittsburgh Underwriters. He was with Wisconsin Inspection Bureau and traveled the Illinois field before joining Loyalty Group.

Mr. Mangan will travel for Firemen's, National Ben Franklin and Keystone Underwriters. He joined Loyalty Group in 1947 after service for 16 years with Western Adjustment, the last four as manager at Springfield.

Both Messrs. Petty and Mangan will also handle the casualty companies.

## Ill. Agents Convention Plans Are Announced

Illinois Assn. of Insurance Agents has scheduled its annual meeting at the Leland hotel at Springfield Nov. 13-14. The usual dinner meeting of the directors will be held Nov. 12.

J. Oliver Orr, president of the Springfield Assn. of Insurance Agents, has named Ross L. Weller chairman of the reception committee; Newton C. McVay, registration; John C. Lanphier 3rd, publicity; David H. McCarthy, housing, and Mrs. Marie Kahn, ladies.

## W. Va. Mutual Agents to Meet

The annual convention of Mutual Agents Assn. of West Virginia will be held at the Daniel Boone hotel, Charleston, Sept. 22.

## Auto Thefts Rising; War Scare Leads to Latest Increases

The first six months of the year showed a considerable increase in automobile thefts and the trend has risen noticeably since the start of the Korean trouble.

William J. Davis, secretary-manager of National Automobile Theft Bureau, Chicago, cites the growing scarcity of cars as the principal reason. Even the off make models are unavailable for immediate delivery and the more popular makes require lengthy waiting periods. It takes nine months to get delivery on one model. The tight supply encourages theft because values are greatly increased and autos are much more easily disposed of. That car owners are aware of the scarcity of new cars is evidenced by a great decrease in the number of automobile fires.

## Companies Not Hard Hit

Mr. Davis points out that the upward surge in thefts has not proportionately affected member companies of the bureau since their thefts have not risen greatly. Police records, however, indicate that the increase is not insignificant. Chicago police records show that there were 445 more automobile larcenies in the city during the first half of 1950 than for the corresponding period a year earlier. This is an increase of 22%. Excellent work on the part of the stolen auto division, headed by John Olson, has resulted in a very favorable recovery ratio.

Much of the theft activity can be traced to organized rings. When the 1950 Pontiacs were put on the market they immediately became a target of theft rings because of their consumer popularity. One such ring in Kansas City stole 13 cars, all of which have been recovered. New Chevrolets also are appealing to theft rings and in Chicago one ring stole 27 before being uncovered. According to informed sources the increase in thefts is on a national basis. Although some areas have been harder hit, there is no particular concentration.

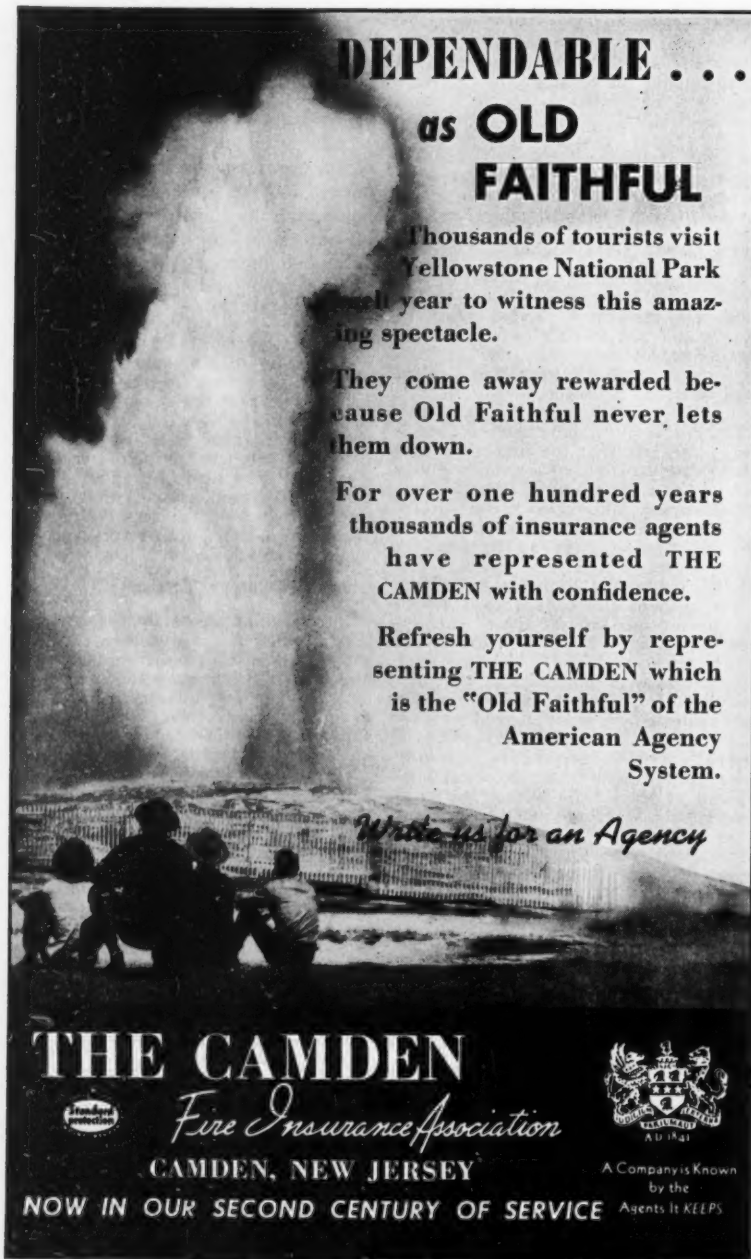
The recovery rate on stolen autos has been excellent, currently running about 93%. Close cooperation between local police departments, the F.B.I. and the National Auto Theft Bureau is responsible for this amazing recovery rate. Car owners could do much to lower the theft rate by exercising more caution when leaving cars unattended. Police records show that 70% of the thefts are due to unlocked cars and cars with keys left in the ignition.

## Colo. Business of Wm. Penn Fire Finds Roost

Joseph H. Silversmith, vice-president of National of Denver, and Charles Bosworth, Jr., secretary of that company, announce that National has reinsured the Colorado business of William Penn Fire. The stock of William Penn is owned by National.

William Penn Fire is under suspension by action of its home state insurance department and a hearing before the Pennsylvania state justice department on its solvency has been postponed until Aug. 29 at the request of the company. The postponement was asked on the ground that it would give the company an opportunity to pursue reinsurance possibilities. It is understood that one such program would provide for the individual general agents of William Penn arranging for their own reinsurance. William Penn currently is paying loss claims but not return premium claims.

Miss Annabeth Coats has been appointed assistant secretary of Oklahoma Assn. of Insurance Agents. She succeeds Miss Florence Bryant.



**DEPENDABLE . . .**  
**as OLD**  
**FAITHFUL**

Thousands of tourists visit Yellowstone National Park each year to witness this amazing spectacle.

They come away rewarded because Old Faithful never lets them down.

For over one hundred years thousands of insurance agents have represented THE CAMDEN with confidence.

Refresh yourself by representing THE CAMDEN which is the "Old Faithful" of the American Agency System.

*Write us for an Agency*

**THE CAMDEN**  
*Fire Insurance Association*  
CAMDEN, NEW JERSEY

Standard Protection

A Company Known by the Agents It KEEPS

**NOW IN OUR SECOND CENTURY OF SERVICE**

**Over 100 Agencies from Coast to Coast for Installation and Service**

**BABACO ALARM SYSTEMS, Inc.**

**WARNING**  
PROTECTED BY AN AUTOMATIC  
**BABACO**  
ALARM SYSTEM  
**NOT UNDER DRIVER'S CONTROL**

**18 Years of Proven Low Loss Experience**

**723 Washington St., New York 14**

# Progress Being Made in Consideration of War Risk Problem

## Seek Continuing Definition of Insurance, Government Areas

NEW YORK — Work of the committee of the business that is handling the war risk problem is proceeding with some dispatch, considering the importance of the entire subject and the fact that the business seems inclined this time to take action that will stand up for some years. It is not aiming at solving the immediate, Korean problem. There may come out of the discussions of the committee a draft of legislation which would embody the ideas of the insurance business as to protection in the field of war risk. This might be furnished the government in an informal way as a suggestion of what the business thinks the legislation should be. In suggesting the area in which the government might logically operate, the business naturally needs to determine the extent to which it will function in the field of war risk. Here much attention is being given to the war exclusion clause. A modern version, including reference to atomic type weapons, now is in all inland marine policies; and consumers being or has been included in extended coverage.

### Want It in Basic Fire Policy

The idea is to proceed to get the clause into the basic fire policy, and this, it is understood, will be done as soon as practicable. Where policies are statutory, next year's heavy legislative season will provide opportunity for amending the contract in many states. Since development of the latest war clause, atomic fusion in the hydrogen bomb has appeared and the present new clause may be amended to include fusion as well as atomic fission and radioactive materials rather than radioactive force. A war clause for automobile physical damage cover now is being considered. In fact, the objective is to get a single war clause inserted in all direct physical damage insurances—fire, inland marine, auto and allied lines.

On the casualty side the language of such a clause may follow in general or even exactly the language of the form worked out for the fire covers, although the casualty people now are talking about the matter and nothing has been determined finally. The main advantage of an identical clause would be within the business, to assure concurrency between inland marine and fire, boiler and extended coverage, etc. The covers then would match as to contribution. An identical clause would reflect unanimity of definition within the business as to how far the business is willing to go on war risks, which in turn would provide the government a clear line beyond which it would assume the liability. In that respect unanimity is desirable as affording outsiders no clear opening to say insurance is undecided. Therefore the outsiders' ideas should be considered.

The problem in the casualty business is much the same as in fire on the direct damage covers such as burglary, money and securities, plate glass, boiler and machinery, the three D. Most of these have the war exclusion that was adopted in the second war or, as in the case of plate glass, shortly thereafter. This is true of boiler and machinery, which follows the language of the 1943

New York fire policy on this point. Indications are that a modern version of the war clause will be put in these policies. The O. L. & T. policy has the pre-1942 war clause.

The casualty people face their real problem with workmen's compensation and even a larger one with non-occupational disability. The latter is considered even more serious than W.C. because here insurers lack the one defense possible under "comp," that injury or death was not occupational. There is no indication yet as to what will be done with these two matters.

In addition there is the question of medical payments on general and auto liability. As to auto B.I. and P.D. the

chance of liability as a result of war-like act seems remote, although the question might arise if a bomb went off nearby, scared a driver and he drove over a curb, killing a pedestrian.

## Buyers Establish War Committee

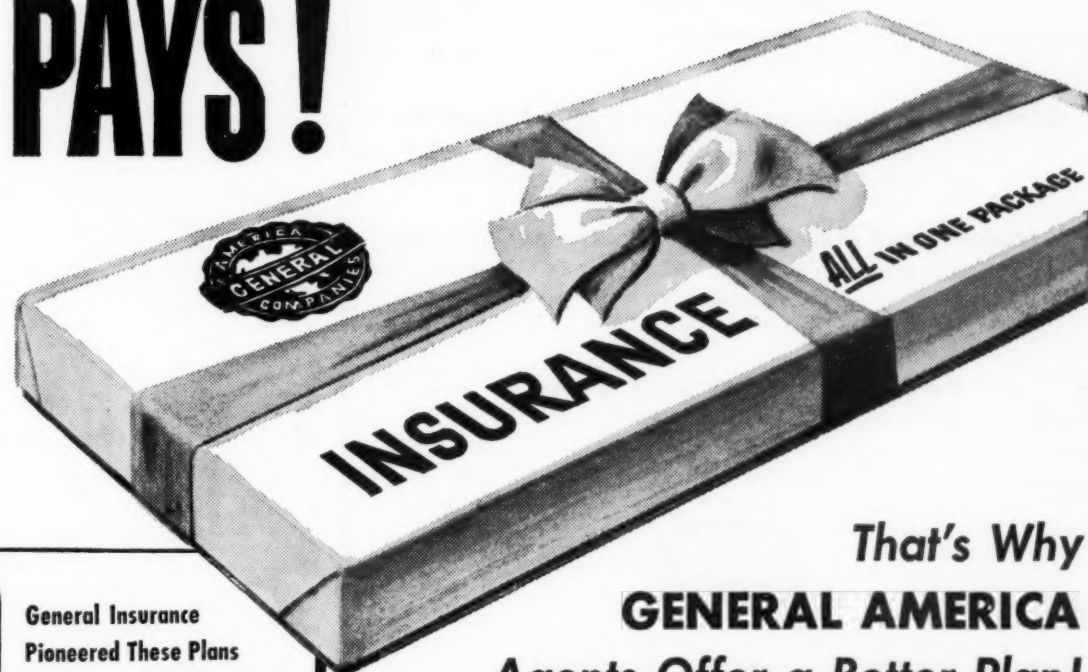
Risk Research Institute has appointed a war risk committee which includes the following insurance buyers: Henry Anderson, United Paramount Theaters; P. E. Danneman, Thomas A. Edison Co.; C. S. Hamilton, J. P. Stevens & Co.;

Alfred Rothschild, Weiss & Klau Co.; W. E. Tutwiler, Guaranty Trust Co.

The committee will cooperate with insurance companies, governmental agencies and industry to study not only property covers but also protection against loss of life and injury as a result of atomic bombs, germ warfare, etc. The members are particularly interested in studying the return of excess of premiums collected over the aggregate of losses and expenses incurred on any such coverages.

Mrs. Birdie G. Sherrick of Dunkirk, O., will continue the agency of her late husband, J. O. Sherrick. She has been with the agency since its start many years ago.

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## That's Why GENERAL AMERICA Agents Offer a Better Plan!

### General Insurance Pioneered These Plans

### FOR YOUR CLIENTS

1. "Preferred Risk" plan of fire insurance . . . strong capital stock fire insurance at substantial savings to thousands of owners of preferred properties.
2. All-inclusive blanket liability for the business and professional man.
3. Householders ultra Policy . . . includes fire, auto, liability, personal property—coverage from almost every conceivable angle.
4. Farmer's Special Blanket Liability policy.
5. Modern "pay as protected" Premium Budget Plan.

Competition for the dollar is getting tougher. *A better product makes selling easier.* General America's "one package" plans offer a better product to both the agent and his client.

The General provides several made-to-measure insurance plans plus a reputation for prompt, fair settlement of claims. The General has pioneered writing insurance from the consumer angle . . . insurance the public wants. Ask about the General America agency plan *now*.



GENERAL INSURANCE COMPANY OF AMERICA  
FIRST NATIONAL INSURANCE CO. OF AMERICA  
GENERAL CASUALTY COMPANY OF AMERICA  
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## Finish Study Course Plans

Plans for the fall and winter insurance courses to be sponsored jointly by King County Insurance Assn. and Edison Technical School at Seattle, have been completed.

Enrollment in the N.A.I.A. intro-

ductory and standard courses will begin about Sept. 15. Classes will be held one night each week. The introductory series will run 32 hours and will end Jan. 30, 1951, while the standard course is being divided into two classes of 56 hours each.



### American Equitable Assurance Company of New York

Organized 1918

### Globe & Republic Insurance Company of America

Established 1862

### Merchants and Manufacturers Insurance Company of New York

Organized 1849

### New York Fire Insurance Company

Incorporated 1833



## Corroon & Reynolds, Inc.

MANAGER

92 William Street, New York 7, N. Y.

Losses paid exceed Three Hundred Fifty Million Dollars.

## Group Service in One Company

Fire and Windstorm  
and all Allied Lines

All forms Casualty Insurance

Aviation Insurance

Fidelity and Surety Bonds



A STOCK COMPANY

## AMERICAN FIRE AND CASUALTY COMPANY

Nation-wide Claim Service

Home Office

Orlando, Florida

## Fireman's Fund Half Year Record

Fireman's Fund and subsidiaries enjoyed a consolidated underwriting profit of \$3,501,000 during the first half of 1950. Net investment income for the same period amounted to \$2,549,000 and shareholders' equity (at 35%) in increase in premium reserve was set at \$1,537,000 to make a combined adjusted underwriting and investment income of \$7,587,000. This compares with a combined figure of \$7,669,000 for the first half of 1949.

Premiums written by Fireman's Fund totalled \$59,055,000, a decline of about 3%. President James F. Crafts attributed this to deflationary tendencies that appeared in a few segments of the economy and to lower premium rates in automobile, fire and ocean marine. With the exception of certain casualty lines, all classes continued to show underwriting profits. However, in all writings, except marine, loss ratios were higher than those of last year.

Earnings per share of common stock, including shareholders' equity in premium reserve, before provision for federal income taxes, and based upon capitalization and ownership of subsidiaries as of June 30, were \$7.49 for the first half of 1950 as compared with \$7.30 for the first half of 1949. Adjusted earnings per share after estimated federal taxes were \$5.27 for the first half of 1950 as compared with \$5.71 for the first half of 1949.

On consolidated basis assets were \$238,369,944, premium reserve \$88,349,258 and loss reserves \$57,938,682. These latter two items were more than offset by cash of \$17,426,161, and bonds, principally government, of \$154,413,908. Shareholders' equity, including 35% of the unearned premium reserve, amounted to \$104.41 per share, as against \$90.05 per share as of June 30, 1949.

### Policy Effective Ahead of Countersignature Date

The South Carolina supreme court has given a decision favorable to the assured in a controversy concerning the effectiveness of delivery of a policy. The case was *Eaves vs. Progressive Fire*. The assured recovered \$450.

On Feb. 17, insured paid 72 cents premium in advance and signed an application for the issuance of a fire insurance contract upon the contents of her home in Columbia. She got a receipt from the agent stating: "No obligation is incurred by this company by reason of this deposit, unless and until a policy is issued upon said application and delivered to said applicant."

The application agreement that was signed stated that no obligation shall exist against the insurer on account of this application although the insured may have paid the premium thereon unless the insurer shall issue a policy in pursuance thereof and this is delivered to the applicant.

The policy was placed under the insured's door by the agent during her absence on the morning of March 5, 1949. Upon returning home early that afternoon the house was in flames and after the fire had been put out she discovered the policy where it had been placed under the door. The policy was countersigned March 7, 1949, two days hence and there was testimony to the effect that it was intended to be effective as of March 7. The policy provided for \$250 insurance on living room furniture, \$100 dining room and kitchen furniture, \$100 bedroom furniture and \$50 on clothing and personal effects.

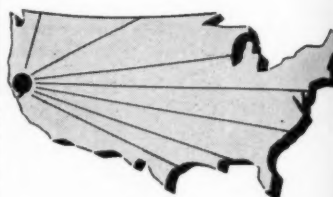
The supreme court held that the trial judge was correct in ruling that there had been a delivery of the policy which was in force at the time of the fire.

Insurance Women of Wichita held their annual picnic meeting Aug. 16. Vice-president Dorothy Winters of Wheeler, Kelly, Hagney was in charge.

## Think of...



## PACIFIC



## NATIONAL

This Company, with its head office on the shore of the *Pacific*, is truly *National* in scope.

With offices and agents coast to coast, it has policyholders in every state.

Think of *Pacific* as denoting western youth and vigor. Think of *National* as denoting maturity, strength, wide dissemination of risk. Write it in...

## PACIFIC NATIONAL FIRE INSURANCE COMPANY

HOME OFFICE • SAN FRANCISCO  
EASTERN DEPARTMENT • PHILADELPHIA  
WESTERN DEPARTMENT • CHICAGO  
SOUTHERN DEPARTMENT • ATLANTA  
OFFICES IN PRINCIPAL CITIES  
COAST TO COAST

## Month Comm

NEW YORK agents, brokers, casualty insurers has been discussing solution problem in time its talk. Originally it report on the date has been.

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## Month More on N. Y. Commission Study

NEW YORK — The committee of agents, brokers, fire companies and casualty insurers that for the past month has been discussing a possible legislative solution to the commission control problem in New York state, will continue its talks for an additional month. Originally it was scheduled to have a report on the subject Sept. 1, but this date has been changed to Oct. 1.

Some observers in the business are firmly convinced that the commission situation is not improving, that in fact it is getting worse. The instance is cited of a company that went into one city and appointed 17 agencies to which it is offering to pay top general agency scale on automobile casualty premiums. This was a fire company that had gotten into the casualty business.

### Same Division of Thought

In general, the lines that seemed well drawn when the subject came up before the New York legislature still exist; that is, the casualty people are more apprehensive as to what might happen if controls are not established. They are inclined toward legislation as a solution.

The fire people, however, still think the business itself and economic conditions will control the situation to a satisfactory extent. They believe companies can recommend commission ceilings that will hold the line. Others doubt this is a safe course to steer, believing that if recommendations have sufficient weight to do the job, the companies take the chance of running afoul of the anti-trust laws.

## G. W. Root Is New Head of Hawaii Board

Gilbert W. Root was elected president of the Hawaii Board at the annual meeting at Honolulu. He succeeds S. B. Brainard.

Other new officers elected are: Ralph E. Clark, president of Home of Hawaii, vice-president, and Harry C. Albright, secretary-treasurer.

In his address, Mr. Root said the board has recognized its responsibilities



Gilbert W. Root (left), new president of Board of Underwriters of Hawaii, is shown with the gavel he has received from the retiring president, Scott B. Brainard.

aiding the suppression of fire and preventable accidents. The board is cooperating with the Hawaiian department in the field of education for agents. The golf trophy was won by R. Teal Alexander & Baldwin, which now has the permanent possession. In the bridge tournament, Charles T. T. was first and William B. Brown, territorial commissioner, was second.

## Monthly Premium Policy

Beneficial Fire & Casualty of Los Angeles is offering a continuing month-premium full coverage automobile

contract, designed to be competitive to direct writing reciprocals and mutuals. Premiums are payable on either monthly, quarterly, semi-annual or annual terms. The company provides for collection facilities, or the producer may assume such machinery, with conventional commissions on a graduated scale commensurate with the amount of supervision assumed by the producer.

The estate of the late E. B. Youngs of Willard, O., has been settled and the Youngs agency taken over by Dale V. Stearns, who has been operating it for the past year. The name has been changed to the Stearns agency.

## General Withdraws War Risk Filings

General of Seattle has discontinued the writing of war risk insurance on all classes. The company had not withdrawn its filings from the last war in California and Washington. Since the Korean outbreak, the company has received so many inquiries from other sections that it has proved embarrassing to refuse to quote as long as the cover was being written in a small way on the west coast.

Company management feels that in the last war enough was known about materials of war so that the company could feel secure in what it was doing. At the present time the management has no idea as to the effect of new materials of war upon any locality and, for this reason, the company has decided not to enter the war risk field should war be declared.

A dividend of 75 cents a share has been declared by Agricultural, payable Oct. 2 to stock of record Sept. 15.

Copenhagen Reinsurance has been licensed in Ohio.

# THE LAST WORD ON—

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Miscellaneous

Summary

Appendixes

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Mr. Klein analyzes clearly and simply the problems of coverage for loss of earnings in various classes of business. He explains the differences in rules and practices in all underwriting territories and Canada. His explanation of the theories behind the rules and practices is in the terms of actual situations so that you can understand them easily.

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## Ganders and Geese Girls Feasting on the Rice Fields of Indiana



COLORFUL SCENES FROM GRAND NEST CONVENTION OF BLUE GOOSE AT FRENCH LICK SPRINGS, IND., AS PHOTOGRAPHED BY RICHARD M. HUBBELL, ASSISTANT MANAGER OF NATIONAL INSPECTION CO. OF CHICAGO:

Upper left—E. J. Beauvais, Montreal, former most loyal grand gander; Fred Payne, Illinois insurance department; (seated) Alex B. Young, Hartford Fire, Kansas City,

new grand keeper; Philip M. Winchester, General Adjustment Bureau, New York, past most loyal grand gander, and E. W. Trenbath, Norwich Union, Seattle, p. m. l. g. s.

Center above—D. D. Murphy, South Carolina insurance commissioner; J. Ray Hall, American States, Indianapolis, retiring most loyal grand gander, and Frank J. Viehmann, Indiana insurance commissioner.

Center lower panel—(standing) H. O. Wolfe, Milwaukee, judge advocate; R. A. Kenzel, Northern Assurance, Milwaukee, grand wielder; J. H. Martin, Standard Form Bureau, San Francisco, grand guardian; Paul M. Fell, Middle Department Rating Assn., Philadelphia, new most loyal grand gander; C. L. Beale, Yorkshire, Dallas, grand supervisor; (seated) Sam L. Sterling, Winnipeg adjuster, grand custodian; Alex B. Young, Kansas City, grand keeper; George Craig, Brazil, Ind., national commander American Legion and Blue Goose convention speaker, and V. M. Armstrong, Indianapolis insurance attorney.

Upper right—Alex B. Young, Kansas City, and Mrs. Young.

Speakers table panel—George R. Pritchett, American, Indianapolis, convention general chairman; Mrs. Pritchett; D. D. Fitzgerald, Commercial Union, Indianapolis, assistant convention chairman; Mrs. Fitzgerald; W. G. Dithmer, Western Underwriters Assn., Chicago, most loyal gander of Indiana pond, and Mrs. Dithmer.

Lower right—Clarence B. Herrick, Yorkshire state agent in Michigan, and unsuccessful candidate for grand keeper, and Mrs. Herrick.

### Whiting Insurer Expands

Triangle Insurance agency of Indianapolis, in which the principal figure is Edward Donaldson, has been named general agent for Standard Motor Indemnity, Whiting, Ind.

Until this time Standard Motor has confined its writings to northern Lake county. President of Standard Motor is John Ciesar, who was for a number of years head of the insurance department of U. S. Steel.



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## FIELD

### Aetna Fire Pacific Coast Men Are Advanced

George Anderson, assistant superintendent of the auto department at San Francisco for Aetna Fire, has been appointed superintendent of agencies at Oakland. He replaces Robert C. Morrill who resigned to enter the local agency business. James Mackriss, formerly in the agency service department at San Francisco, has been transferred to Oakland to assist Mr. Anderson.

C. G. Gorski was appointed superintendent of agencies succeeding W. M. Macura who resigned to become associated with an Aetna Fire agent. Mr. Gorski will supervise the territory from Los Angeles to Santa Barbara and east from Pasadena, including Riverside and San Bernardino counties.

### Mitchell in Ohio Field

Bernard J. Mitchell has been named special agent for Aetna Fire in Ohio which headquarters in the Sweetland building, Cleveland.

Mr. Mitchell has been in the underwriting department since graduating from DePaul University at Chicago. He recently completed training for field assignment at the home office.

### Bohlen to Comm'l Standard

L. W. Bohlen, Oklahoma state agent of Glens Falls and former rating engineer with Oklahoma Inspection & Rating Bureau, has been appointed special agent of Commercial Standard in San Antonio and the Valley territory. He will work out of the Houston office and live at McAllen.

### Set Mich. Sept. Meetings

Michigan Fire Underwriters Assn. will hold its first fall meeting Sept. 13 at the Fort Shelby Hotel, Detroit, to be followed by a public relations luncheon at which Darlyle M. Watters and A. H. Butterick of the Michigan department will be speakers.

The following day, Michigan Blue Goose will hold an outing at Forest Lake Country Club near Pontiac.

In the Aug. 17 issue the headline on the story of the transfer of W. R. Sparks by Globe & Rutgers said that he was appointed Ohio state agent. He was formerly Ohio state agent and was transferred to Indiana as state agent.

A stag barbecue for St. Louis Blue Goose will be staged Sept. 23. William M. Sherman, Jr., is chairman of the committee in charge.

The first fall meeting of Kansas Fire Prevention Assn. will be held Sept. 20 at Topeka.

At the August luncheon meeting of the ladies' auxiliary of Oklahoma Blue Goose hostesses were Mrs. J. K. Snodgrass, Mrs. George E. Wyatt, Mrs. Coke Witt, Mrs. Carl G. Lund and Mrs. Roger J. Bainbridge. A buffet picnic is planned for Aug. 26.

## MARINE

### Buge Marine General Agent

R. Bugé, Jr., has opened a marine general agency at New Orleans, representing World Fire & Marine, for the handling of ocean hull and cargo business.

Until Rhode Island was placed in receivership recently, Mr. Bugé was manager at New Orleans for that company for ocean marine business.

### S. S. Quebec Fully Insured

S. S. Quebec which burned at Tadoussac, Que., was fully covered by insurance, most of it in insurers outside

Canada, a substantial portion in London Lloyds. The ship was built at a cost of \$5 million in 1928.

### Cut Cotton Transit Rate in N. C.

Commissioner Cheek of North Carolina has approved a reduction of approximately 28% in the rates filed by Inland Marine Insurance Bureau for cotton buyers transit insurance. The effective date is Aug. 1.

## CHICAGO

### CARLSON JOINS LANGE & CO.

Harold J. Carlson has joined Lange & Co. in Chicago. He will be in charge of the fire department. For four years he was with Warner Reciprocals, leaving there as fire underwriting supervisor to join Lange & Co. He is a navy veteran.

### JOHN R. HOPKINS NAMED

John R. Hopkins has been added to the staff of National Automobile Theft Bureau at Chicago. He becomes special agent for Chicago and Cook county. The bureau decided to concentrate attention on that field because of the

increase in automobile thefts that is occurring there. Mr. Hopkins attended University of Minnesota and Carleton College and has been with Retail Credit Co. 10 years, except for a period of war service when he was in the criminal investigation division of the army. Most recently he has been assistant manager at Hammond, Ind., for Retail Credit.

### BECOMES LAMB, LITTLE & CO.

McCormick, Beatty, Lamb & Fergus, agency of Chicago, has changed its name to Lamb, Little & Co. Messrs. McCormick and Beatty remain as stockholders of the agency but are not active in the business. Mr. Fergus is now engaged in a non-insurance pursuit but is continuing to operate as a broker.

Principals in the agency are Edmund E. Lamb, William A. Little, David B. Peck, III, Clayton F. Lundquist and William J. Plambeck. The agency does a full general line business as well as life and A. & H.

Ohio Farmers golfers held an outing at Brookside County Club, Columbus, Friday. A golf tournament was staged and a dinner was served. A number of officials from the home office at Leroy were present.

## NEW YORK

### APPEAL IS TAKEN

Necessary steps for an appeal to the New York court of appeal have been taken by Western National in the case it lost to Haph Brokerage Co. under a decision of the appellate division of the New York supreme court as reported on page 31 of the June 1 NATIONAL UNDERWRITER. The decision was that there is no implication in the law that a broker is liable for return commissions on a fixed premium policy that is canceled by the insurer or the insured. It was held that Haph Brokerage was entitled to retain its commission after the policy in question had been canceled.

This decision has attracted attention throughout the country even though it hinges on the wording of the New York law.

### Joins Iowa Department

Val L. Schoenthal has been appointed a securities analyst in the Iowa department. He was appointed to fill the gap created by the resignation of Vernon Grant, Jr., as superintendent of the securities division.



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## Preliminary Program for Mich. Meeting Announced

LANSING, MICH.—Preliminary program details for the annual meeting of Michigan Assn. of Insurance Agents at Grand Rapids Sept. 25-26 have been announced. Major sessions, because of their size, will be held in the Civic auditorium.

At one of the sessions eight C.P.C.U.s will discuss these subjects: "Business and Professional Malpractice—General Principles," "Agents Legal Liability Insurance," "Professional Legal Liability Insurance" and "Legal Liability of Churches and Fraternal Organizations." Participants in the panel will be Paul Trout, assistant manager Employers Liability, Detroit; Frank Gossinger, Byrnes & McCaffrey, Detroit; John Goodell, Dyer-Jenison-Barry Co.-Lansing Insurance Agency, Lansing; John VanderWerf, Grand Rapids; Leonard R. Christman, manager analytical department, Standard Accident, Detroit; Max Kern, H. W. Huttenlocher agency, Pontiac; M. Robert Olp, Marsh & McLennan, Detroit, chairman education committee, and H. Thompson Stock, A. J. Stock agency, Detroit, Michigan association educational director.

S. W. Schellenger, agency superintendent of Buckeye Union, will direct an agents' panel on "Actual Errors Discovered by Fire and Casualty Insurance Surveys, Their Correction and Prevention." R. C. Larson, field supervisor of Aetna Casualty, will head a discussion of A. & H. coverages. J. Archer Kiss, Chicago sales consultant, will be the banquet speaker. An "agents only" session and a qualifying examination for property license applicants will be among the convention features.

## Truman Proclaims Fire Prevention Week Oct. 8

WASHINGTON—President Truman has designated Oct. 8-14 as Fire Prevention Week and called on all Americans "in this critical period" to help keep the nation strong through the prevention of fires which needlessly destroy life and property.

U. S. Chamber of Commerce, through National Fire Waste Council, is again taking the lead in carrying out a nationwide plan in community fire prevention education, supplemented by fire fighting demonstrations and local inspections of fire department facilities, industrial plants, commercial buildings, homes, schools and other public buildings.

Harry F. Ogden, president of Fidelity & Guaranty, is chairman of the fire waste council.

## Confer at Seattle Oct. 10-11

The Washington advisory committee has scheduled its regular Seattle meeting for Oct. 10-11. R. H. Griffith, vice-president of Glens Falls, is chairman.

Conferences are scheduled with the contact committees of Washington Assn. of Insurance Agents, Inland Empire Fire Underwriters Assn., Washington Fire Underwriters Assn. and officials of Washington Surveying & Rating Bureau.

## Correct Fire Loss Figures

The figures reported last week by the National Board for fire losses in the 12 months ended July 31 were incorrect. The figures should have read \$689,234,000 instead of \$738,826,000, and the increase over the 12 corresponding months the previous year should have been 2.4% instead of 9.7%.

## 1950 Insurance Encyclopedia Out

The 1950 edition of the Encyclopedia of Insurance in the U. S. is now being mailed to subscribers by Index Publishing Co., 123 William street, New York City. The price is \$5.75. It is edited by G. Reid Mackay.

The book has more than 1170 pages and contains a vast amount of historical

and financial data about all types of insurers; purposes, officers, etc., of all insurance organizations; definitions of all insurance coverages and other valuable information; complete text of Supreme Court decisions bearing on state regulation of insurance, and biographical sketches of many prominent men.

## Mississippi Assn. Holds Agency Management School

Mississippi Assn. of Insurance Agents is sponsoring a school of advanced agency management to be supervised by the school of commerce of the University of Mississippi and held at Jackson on Aug. 24-25. Lecturers include Clarence R. Rauter, director of education and research of N.A.I.A.; George J. Leonhard, Jr., general agent at Madison, Wis.; Paul D. Brandes, assistant speech professor at Mississippi; George F. Woodliff, Jackson attorney; John N. Cosgrove, assistant secretary of American of Newark; Nathan L. Swayze, Barnwell & Barbour, Yazoo City, Miss., and Maurice J. Hartson, New Orleans local agent.

The former B. W. Prusiner agency at Des Moines has been reorganized and renamed the World agency. W. D. Davidson will serve as manager.

## Whisky Insurance Line Shows Much Activity

Something of a flurry is occurring in the whisky insurance market due apparently to the bidding up of the aged product. For instance, six year old stuff has been bid up from \$8 to about \$12 a gallon, which is equal to about \$500 a barrel. The big distillers have been buying the stocks of some of the smaller distillers. Storage space is apparently at a premium and the distillers are renting parts of industrial plants for storage.

## Escott Plan Hearing in Ohio

A hearing on the Escott plan will be held in the offices of the Ohio superintendent of insurance at Columbus Sept. 26-27.

## Stiffen N. H. Agents' Exams

Examinations for agents' licenses in New Hampshire will be made more difficult after Sept. 1. The new passing mark for all tests, including life and A. & H., will be 75. The current average is 72-74. Prospects will need to be thoroughly grounded in fundamentals in order to qualify for licenses.

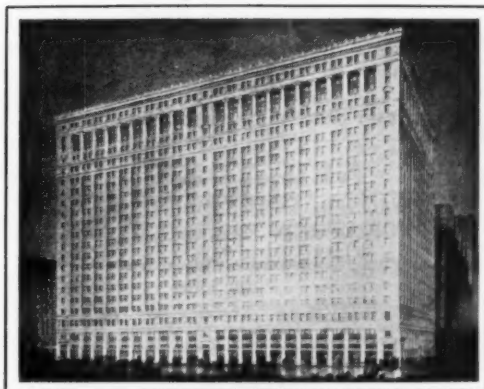
## Insurance Interests Get Ready for Minn. Session

MINNEAPOLIS — With a legislative session coming up in Minnesota in January, insurance interests are getting squared away for legislation affecting them. One matter which is expected to be revived involves the Minnesota standard fire policy. At the last session an effort was made to replace this with the New York policy but opposition by local agents defeated the move.

Greater financial support for the state fire marshal's department and the insurance department may be asked. Minnesota Assn. of Insurance Agents is interested in obtaining more funds for the two departments.

An attempt also will be made to have the half of 1% tax on fire insurance given to the fire marshal's office as was originally done. In 1941 the legislature ordered this tax money diverted to the general revenue fund.

Through the courtesy of Gordon Friedrich of Sawtelle, McAllister & Cary, and Willard Heath, Trinity Universal, San Antonio Insurance Exchange viewed the Magnolia Petroleum Co. automobile safety film, "And Then There Were Four."



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## Gives Insurers Side at Wis. Rehearing

(CONTINUED FROM PAGE 1)

mentations of 1949 and the New York state insurance department's profit formula of 1947 to justify the 2.5% return allowed in the order. In answering a question by Mr. Rieser, the witness explained that 1949 had been taken as a basis as that was a banner year for premium collections, and added that investment earnings would be in addition to the profit margin.

### Breakdown Is Promised

Counsel for the insurers brought out that the experience ratings were not based upon an analysis of all companies writing fire insurance in Wisconsin, but only of members and subscribers of the state rating bureau, mainly stock and mutuals, and not separately. Timbers agreed to supply the breakdown requested.

The witness also insisted that the reduced rate order was not the result of "hasty judgment," but had been made after a careful analysis covering more than a year of study and scrutiny of official records and reports from the companies concerned.

Among the company representatives present were R. D. Hobbs, Chicago, manager of Western Actuarial Bureau; Frank Schwoegler, Milwaukee, Fire Insurance Rating Bureau; Gerry Kamper, Milwaukee, Badger Mutual; Theodore Sticle, Milwaukee Furniture Dealers Mutual; Roy Ashton, Milwaukee Assn. of Insurance Agents; Eugene Arms, Mill & Elevator Rating Bureau; W. O. Wright, Milwaukee, Factory Mutual Rating Bureau, and W. J. P. Abert, Madison, attorney for Federated Mutual.

### Arguments Are Scheduled

The rehearing came to a close late Monday. The final testimony and arguments are scheduled for Saturday morning. After that a decision will be made as to whether the order of July 17 will stand, be revised, or rescinded.

The hearing of arguments this week was strongly opposed by Mr. Rieser, Madison. He contended that he could not prepare his summation by that time. Commissioner Lange suggested that they be presented sometime next week, provided the insurance companies would agree to retain the Sept. 1 effective date, but counsel insisted that he had no authority to agree to such a stipulation.

This brought the charge of "stalling" by Harry Slater, assistant city attorney of Milwaukee, who instituted the original petition, for rate slashes on fire insurance in that city. He would not agree to a suggestion of Mr. Lange that possibly the reductions should be put off to Oct. 1, claiming that this would save the insurers between \$75,000 to \$80,000 by postponing the effective date one month. The estimated reductions are \$1,036,000 annually. Mr. Lange finally settled the dispute by setting Saturday morning for arguments, but barred filing of legal briefs, insisting that they could be filed with the court in case an appeal from the department's ruling is taken, as seems likely.

### Gallagher and Hobbs Testify

On Monday, further testimony was presented by D. J. Gallagher, Western Actuarial Bureau, Chicago, and R. D. Hobbs, Chicago, manager of W.A.B. who were called by the insurers. For the state, Mr. Timbers, and others took the stand to refute the claim that the 2 1/2% profit margin was too low. Their testimony was in extension of that given previously.

Mr. Hobbs said the main objection to the proposed new rates is in connection with brick, fireproof and protected, and seasonal dwellings. On Thursday of last week, Mr. Hobbs outlined the policy as follows:

"The Fire Insurance Rating Bureau and its members and subscribers do not oppose any adjustment of fire rates in Wisconsin. The only disagreement is over fundamentals on which the depart-

ment based its order, and which the companies feel establish a precedent most dangerous to them, both in Wisconsin and elsewhere. They object to some features of the order which they feel are confiscatory, and also object to mutual companies being included in computing the rates." Apparently to prevent a court appeal, Mr. Hobbs also expressed a willingness to discuss the order and work out adjustment, adding that they have no serious quarrel with some of the rate changes proposed.

On Monday, letters were also received from officials of the several Wisconsin cities supporting the proposed reductions, including Ashland, Manitowish, West Allis, and Wauwatosa.

## Gala Time Arranged for Zone 4 Commissioners

The program has been completed for the meeting of zone 4 commissioners at Indianapolis Athletic Club, Indianapolis, Sept. 26-29.

There will be morning and afternoon sessions Sept. 26. On Tuesday, four meetings will be going on at the same time, one on examination procedures, for chief examiners and actuaries; another on casualty rating, a third on fire rating and the fourth on H. & A. hospitalization and limited life insurance contracts.

The Indiana companies will be hosts at a cocktail party and banquet Sept. 27. On Sept. 28 the group will be guests of Wilbur Shaw, president Indianapolis Motor Speedway, at the Speedway and then there will be a trip to the lodge of Dudley Gallahue, chairman of American States Ins. Co., of Indianapolis in Brown county. Sept. 29, the committee reports will be received and there will be an executive session of the commissioners.

On Sept. 30, the conventioners will be guests of Thomas Shortall, vice-president of Emmco Ins. Co. of South Bend, at the Notre Dame-North Carolina football game.

Hoosierland Rating Bureau, which is having its annual meeting and party Sept. 25-26, is inviting the state people to take part in their golf party Sept. 26.

## Conn. Groups Will Honor Allyn at Sept. 12 Dinner

Insurance associations and companies of Connecticut are combining to honor Commissioner Allyn of Connecticut at a testimonial dinner Sept. 12 at Hartford. Tickets can be obtained through William H. Wiley, executive secretary of the Connecticut Assn. of Insurance Agents who is chairman of the committee on arrangements.

In addition to Mr. Wiley's association and the companies, organizations sponsoring the banquet include Connecticut Life Underwriters Assn., Connecticut Field Club, Casualty & Surety Assn. of Connecticut, the Adjusters Assn. of Connecticut and the Hartford, Bridgeport and New Haven associations of insurance women.

## Slate Huggins as President

The nominating committee of Oregon Assn. of Insurance Agents has recommended Charles H. Huggins, Salem, for elevation from chairman of the executive committee to president. Harold B. Larson, Portland, has been nominated for chairman of the executive committee.

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## Utah Schedules Hearing on Deductible Fire Policy

Commissioner Terry of Utah will hold a hearing Aug. 31 to determine whether a deviation to permit the writing of a fire insurance policy with a minimum \$5,000 deductible may be written in Utah. The hearing was requested by Harold S. Morr, manager Utah Fire Rating Bureau. Chubb & Sons had requested that such deviation be granted.

To date, nine states have approved this type of policy. Only Arizona has disapproved. It was rejected there as an independent filing, and was not rejected on the basis of a deviation. Nevada will hold a hearing on the same subject Aug. 28 at Carson City.

The deviation requested in Utah requires a minimum premium of \$500, with a warranty that the deductible will not be insured. The deductible in question has a minimum of \$5,000 and a maximum of \$250,000.

## D. C. Loan Firm Cleared of Insurance Charge

WASHINGTON — Municipal Judge Kronheim threw out a criminal case against Columbia Credit Co., accused of charging more than 6% interest on a secured loan without a license. The judge explained his action by saying he could not tell how much insurance premium was included in the interest charged by the loan concern.

The company had been refused renewal of its license and this refusal had been upheld by the district court, a higher tribunal than municipal court. The government then prosecuted the company for doing business without a license.

The company claimed part of the interest charges included insurance on the life of the borrower. Assistant Corporation Counsel King said the company charged as high as 28% interest and that persons borrowing from it never received any insurance policies.

D. C. regulations require auto finance and small loan companies to supply their borrowers with copies of policies.

A local board is being organized at Wilmington, O.

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## N.A.U.A. Given Extension On Discrimination Order

Commissioner Terry of Utah has granted National Automobile Underwriters Assn. an extension to Oct. 1 in the cease and desist order issued against it July 17. The order was issued after a hearing wherein it was contended that the people of Utah were being discriminated against on certain types of private passenger collision insurance. Oregon, Washington and California received a 15% deduction. Utah and the other states received only 10%.

Commissioner Terry indicated, in granting the extension, that this additional time period would enable N.A.U.A. to prepare and distribute certain manual changes that will correct the discrimination which he held was being practiced by the N.A.U.A.

Utah Assn. of Insurance Agents, after being apprised of the reasons such an extension was needed, formally requested the department to grant the extension of time in the public interest. Arrangements for the extension were worked out at Salt Lake City by N.A.U.A. representatives, including Harold D. Sammis, branch secretary, San Francisco; C. N. Ottosen, Salt Lake attorney; J. Ross Moore, executive-secretary and Thomas Watters, counsel, New York, and S. Shotwell, manager North British group San Francisco.

## Slate Three Company Men At Utah Agents' Convention

Three more company executives have been named as speakers for the annual meeting of Utah Assn. of Insurance Agents at Salt Lake City Sept. 22-23. They are L. Vaughn Grady, vice-president of Home Indemnity; Harold E. Diem, assistant manager, Hartford Fire, San Francisco, Frank H. French, manager Factory Insurance Assn. San Francisco.

One of the features of the meeting will be a panel between agents and company officials on the important subject of agent-company relations. Coordinator of the Panel will be J. Edwin Stein, Provo, vice-president of the Utah association.

## Earl Carroll Tells Plans

Earl Carroll, president of Philippine American Life, which is controlled by C. V. Starr & Co., during a press interview at New York, stated that plans are under way to form a companion company to write fire, marine and casualty. Pan American Life writes only in the Philippines, but is planning to get into Hawaii. The new fire and casualty company will confine its attention to the Philippines.

Plans are under way for a \$3 million home office building at Manila. This will be the largest commercial structure in the Philippines. Chairman of the company is Paul V. McNutt.

## Arkansas Ruling Appealed

LITTLE ROCK — The ruling of Commissioner Graves in favor of the installment plan of North America was immediately appealed to the circuit court of Pulaski county by Arkansas inspection & Rating Bureau and the Arkansas Assn. of Insurance Agents. It is understood that the matter will come before the court Sept. 7. In the meantime, 13 additional companies have made independent filings of the North America plan, among them Fire Association, Springfield and Boston.

## Allyn Ohio C.P.C.U. Speaker

The Ohio chapter of C.P.C.U. will hold a meeting at Cleveland Sept. 8. The principal speaker will be Commissioner Allyn of Connecticut, president of National Assn. of Insurance Commissioners; superintendent Walter Robinson of Ohio will be a special guest.

Graham & Hubbell Insurance Service of Frazeeburg, O., has been purchased by Fred W. Gardner of Zanesville.



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# DEATHS

**LAWRENCE F. CRAWFORD**, treasurer and a director of the R. N. Crawford & Co. agency of Chicago, died at the home of his parents, Mr. and Mrs. R. N. Crawford, at Delavan, Wis. He was only 30 years of age but he had been ill for some time. He graduated at Princeton in 1942 and was in the army four years, and went with R. N. Crawford & Co. in 1946. His brother, R. N. Crawford, Jr., is vice-president of the agency and his brother-in-law, Norman Cavado, is also an official of the agency.

**CHARLES G. BITTEL**, 74, a vice-president of St. Louis Fire & Marine, died of pneumonia. He was born in Paris, and was the son of a Polish baroness. He had been with St. Louis F. & M. and affiliated companies for 18 years.

**GEORGE W. HICKS**, 49, a partner in the Michigan Insurance Agency, died at Detroit. He was formerly a vice-president of Johnson & Higgins and also had been associated with Marsh & McLennan. He was a graduate of University of Washington.

**WILLIAM C. ARCHER**, 74, Larchmont, N. Y., insurance consultant who formerly was deputy commissioner in charge of the Workmen's Compensation Bureau of New York, died in New York City. Mr. Archer was first secretary of the Ohio state liability board of awards after it was established. In 1914 he went to New York on invitation of Gov. Glynn and helped draft the New York workmen's compensation law. When he left the workmen's compensation bureau of New York in 1929 he was a senior referee. At that time he engaged in consultation work with large contracting firms on insurance problems.

**WILLIAM H. MCBRYAN**, 79, resident vice-president of U. S. F. & G. at Detroit until his retirement in 1943, died after a long illness. He entered insurance in 1901 and had been a resident of the Detroit area for 60 years.

**HARRY E. STONE**, retired president of Lumber Mutual Fire, died while on vacation at Whitefield, N. H. Mr. Stone entered the insurance business as an office boy at Lynn. After he retired as president of Lumber Mutual six years ago, he remained as a director of Federal Mutual Fire, Federal Liability, Lumbermens Mutual Casualty of Chicago and American Motorists. He was a former director of Pennsylvania Lumbermens Mutual and Lumbermens Mutual of Mansfield.

**STANFORD E. RICH**, 51, manager of the intermountain service office of Glens Falls at Salt Lake City, died unexpectedly of a heart attack while on a business trip in Boise, Ida. He started in 1931 as a local agent in Utah. Shortly thereafter he entered the company ranks as a special agent for Glens Falls in Utah, Idaho and Montana. He was a past president of Intermountain Fire Underwriters Assn. and most loyal member of Utah Blue Goose. His sons, Kenneth G. Rich, of Salt Lake and Stanford J. Rich, Twin Falls, Ida., are both local agents.

**EDWIN GAULT**, 83, retired secretary of Fire association, died at his home in Upper Darby, Pa.

**EDMUND W. FRAIN**, who retired in 1947 as Philadelphia branch manager of General Accident, died at his home at Bywood, Pa., at the age of 76. He had been with General Accident 30 years.

**CHARLES C. RICKER**, Austin, Tex., local agent, died from a heart attack. Associated with him in the agency was his son, Nat Ricker.

**MRS. ELVA FRETWELL BAHEN**, 43, of Salisbury, Md., died unexpectedly from a heart attack at her home. She was the wife of George E. Bahen, manager of General Adjustment Bureau at Salisbury.

**EMORY CUNDIFF**, 81, a partner in the Hunteroy & Cundiff agency, Altavista, Va., died there.

**A. B. BARBER**, of the Duluth office of Underwriters Adjusting, died there. He

had been with the company for more than 20 years, starting at Chicago. For a time he was in the local agency business at Gary, Ind., and later was with George Blum, Chicago adjuster.

**FRANK L. BECKER**, formerly an auditor with the Illinois department, died suddenly at Peoria. He was with the insurance department of the Caterpillar Tractor Co. there. A daughter, Margaret Becker, is executive secretary of the Illinois and Peoria life underwriters associations.

**WILLIAM J. BUNCE**, president of the Macomber-Bunce agency at 90 John street, New York, died at his home at Westfield, N. J., after a long illness. His age was 52 and he had been with the Macomber interests 34 years.

**EUGENE I. DALE**, 67, secretary-treasurer of H. W. Eddy, Inc., St. Louis, died of heart disease.

## Agency Workshop Seminars to Be Held in Maryland

Agency workshop seminars will be held at Braddock Heights, Md., Sept. 10-12, sponsored by the education committee of Maryland Assn. of Insurance Agents, cooperating with committees of Assn. of Insurance Underwriters of Baltimore City and Binder Club of Baltimore.

F. Addison Fowler, vice-president of Leonhart & Co., Baltimore, education chairman of the Maryland association, is in charge of arrangements. Subjects to be discussed are: Who writes what — markets for the difficult to place and unusual risks, and recent developments in the multiple line field; how to meet competition — experience and schedule rating plans as competitive tools and best methods of meeting competition, particularly from non-agency insurers; office management problems — cutting agency costs through more efficient operation, training programs for staff and producers, recent studies in agency costs, recruiting and compensating producers; crime coverage — sales opportunities; recent fire rule changes in the Maryland rule book and problems in connection with unpublished rulings of the rating bureau.

## Another Coercion Hearing

The Geddes interim committee of the California legislature, which has held several hearings investigating the practices of lending institutions on coercion of insurance, will hold another such hearing at Los Angeles, Aug. 31-Sept. 1.

Mrs. Marie G. Plyler of Newark, O., has passed the state insurance examinations and will continue the agency of her late husband, B. Durham Plyler.

# STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago

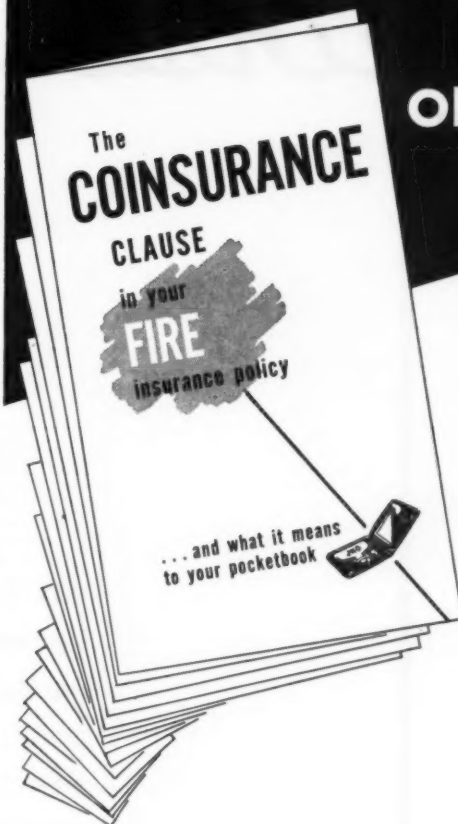
Aug. 22, 1950		
Aetna Casualty .....	3.00	91
Aetna Fire .....	2.20*	55
Aetna Life .....	2.50	53 1/2
American Alliance .....	1.20	24
American Auto .....	2.00	46
American Casualty .....	.50	20 1/2
American (N. J.) .....	.90	19 1/2
American Surety .....	3.00	56 1/2
Boston .....	2.40	57 1/2
Camden Fire .....	1.15*	22 1/2
Continental Casualty .....	2.50*	54
Fire Association .....	2.60	59
Fireman's Fund .....	2.60	87 1/2
Firemen's (N. J.) .....	.60	20 1/2
Glens Falls .....	2.20*	49
Globe & Republic .....	.50	12
Great American Fire .....	1.30*	29
Hanover Fire .....	1.60	33
Hartford Fire .....	3.00*	122
Home (N. Y.) .....	1.60	34 1/2
Ins. Co. of North Am. .....	3.50*	106 1/2
Maryland Casualty .....	.80	19
Mass. Bonding .....	1.60	29
National Casualty .....	1.50*	31 1/2
National Fire .....	2.50*	60
National Union .....	1.60	35
New Hampshire .....	2.20	42
New Amsterdam Cas. .....	1.50	36
North River .....	1.20	24 1/2
Ohio Casualty .....	1.20	59
Phoenix, Conn. .....	3.00*	78
Phoenix Accident .....	.30*	3 1/2
Prov. Wash. .....	1.40	31 1/2
St. Paul F. & M. .....	3.00*	99
Security, Conn. .....	1.60	32
Springfield F. & M. .....	2.00	44 1/2
Standard Accident .....	1.60	33
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## A. & C. Would Put New Funds in Am. Casualty

In the event that the deal goes through for Accident & Casualty to purchase control of American Casualty of Reading, the Swiss company intends to invest an additional amount in preferred stock in American Casualty. A. & C. is offering to purchase up to 100% of the American Casualty stock at a price of \$88 a share, contingent upon at least 70% of the stock being tendered by Sept. 15.

Any sale of the stock must include all shares owned by a person and A. & C. reserves the right to reject any stock where only a part has been tendered.

According to the notification to stockholders of American Casualty, if the transaction is consummated, American Casualty will continue to operate in the same manner that it is currently operating and will continue to maintain its executive and administrative offices at Reading. President H. G. Evans went to Switzerland a few months ago and presumably the plan was arrived at then.

### Operations Are Profitable

Mr. Evans, in his message to stockholders, declares that American Casualty is continuing to operate on a profitable basis. He said that in view of the continuing increase in premium volume, the need for additional capital funds is more pronounced now than during the fall of 1948 at which time American started to pay dividends in stock rather than cash.

Under the present tax law, he went on, it is most difficult and an extremely slow process, even without paying cash dividends, to increase capital funds by retention of operating profits. The proposed increase in tax rate will make such a program correspondingly more difficult.

Accident & Casualty, he states, contemplates investing an additional amount in preferred stock and will permit underwriting and investment earnings to remain in the company until a proper relationship between premium volume and capital funds is established. Under such a program, he said, it is doubtful that any cash dividends would be paid on the common capital stock for some time.

Every director of American Casualty has accepted the proposal, he said. There are outstanding 345,798 shares of stock. That means if all the stock is acquired, Accident & Casualty will pay a total of \$7,607,556.

### June 30 Figures Given

At June 30, assets of American Casualty were \$27,420,414, premium reserve \$12,089,871, claim reserve \$7,745,666, capital \$1,695,093, net surplus \$3,705,832, policyholders' surplus \$5,400,926.

For the first six months statutory underwriting profit was \$313,216, increase in premium reserve equity \$725,296 (computed at 40% for increase in premium reserve of American Aviation & General and 30% for increase in reserve of American Casualty); investment income \$331,830, federal income tax \$471,814 and net earnings \$898,528.

The capital-surplus value of American Casualty per share was \$15.62 and the net asset value is figured at \$22.84 counting schedule P equity of \$88,979 and premium reserve equity of \$2,408,944.

For the first six months of this year, premiums written were \$15,595,918, an increase of \$3,202,039 as against the same period last year or 25.84% better.

About 21 is being bid for American Casualty stock in the over-the-counter market, while the asking price is about 21 1/2.

## A. & H. Assn. 1951 Convention Program Already Lined Up

The officers of Texas Assn. of A. & H. Underwriters met with the members of the executive committee at Austin to study the problems of membership and plans for the meeting of the International association to be held at Dallas next June.

Porter Bywaters, Employers Casualty, Dallas, immediate past president of the Texas association, presented the tentative program for the International association convention. This program is to be approved by the International association before it can be announced. W. D. Bacon, San Antonio, suggested that a session for managers and general agents be included in the program.

Mr. Bywaters also presented the tentative plans for the annual sales congresses to be held at San Antonio, Dec. 4; Houston, Dec. 5; Dallas, Dec. 6, and Wichita Falls, Dec. 7. He stated that in cooperation with the Oklahomans a sales congress also will be held at Oklahoma City Dec. 8. He said it is hoped that President John B. Lambert and Wesley Jones, executive secretary of the International association, will appear on the program. E. H. O'Connor, Insurance Economics Society, was suggested as a possible speaker, the other speaker to be from Texas.

O. D. Harlan, San Antonio, past president of the state association, paid tribute to the work of Emerson Davis, Inter-Ocean, Dallas, general chairman of the 1951 convention.

R. D. Penney, San Antonio, vice-president and chairman of the membership committee, said he was not in a position to give the necessary time to membership work. L. C. Woodham, Great American Reserve, Dallas, was elected membership chairman.

### Will Rotate Committee Meetings

Emerson Davis suggested that the executive committee rotate meetings so that meetings may be held where the local association needs strengthening. It was decided that meetings will be held at Corpus Christi, Sept. 16; Waco, October; Abilene, November; Dallas, Dec. 6, in connection with the sales congress; Fort Worth, January; Lubbock, February, and Amarillo, March.

Mr. Davis also called attention to the threat of state compulsory sickness insurance programs. Louis George, Houston, Continental Casualty, spoke of the importance of cooperation with the medical profession.

Following the business session of the executive committee, a luncheon with Austin A. & H. salesmen as guests was held. Emerson Davis spoke on the value of an association in creating better relations between salesmen in the field and among agency managers and general agents. He also spoke of the threat of state legislation.

A temporary set of officers was announced for the Austin association: C. C. Martin, Great American Reserve, president; Buck Miller, American Hospital & Life, vice-president; Everett Davis, Western Reserve Life, secretary; Samuel Clements, Continental Casualty, executive committee chairman.

### List Three Ohio Speakers

Among the speakers for the annual meeting of Ohio Assn. of Insurance Agents at Columbus Oct. 30-31 will be Gen. Robert L. Eichelberger, former chief of staff for General MacArthur, Superintendent Robinson of Ohio and James C. O'Connor, editor of F.C.&S. Bulletins. Special sessions will be held featuring local boards, farm writing, young agents, etc. There will be special entertainment for the ladies.

## N. Y. Department Study Shows High Harlem Frequency

### Twice All Rest of Manhattan on Fires; Found No Discrimination

NEW YORK—Company and agency witnesses in the hearing on discrimination conducted here by the joint legislative committee on insurance rates and regulation repeatedly stated there was no area breakdown of experience figures that would enable them to determine the experience in Harlem or any other congested area. However, figures that show the high incidence of fire losses in Harlem were presented by the insurance department.

Deputy Roy C. McCullough described a study of Harlem fire statistics, directed by Elihu I. Orleans, senior research analyst of the department. Taking figures supplied by the Underwriters Fire Patrol and the numbers of buildings in various sections as reported by the tax assessment bureau, the department found that fire frequency in Harlem in 1949 was 42% of the total 8,000 fires in all of Manhattan. Incidence of fires per 100 buildings in Harlem was 2.12 times what it was in the balance of Manhattan.

### Four Times on One Cause

The leading cause of fires in New York is careless use of cigars, cigarettes and pipes. Incidence of this cause in Harlem was almost four times that in the remainder of Manhattan, Mr. McCullough stated.

A similar study is to be made of Harlem area auto accidents.

The department carefully investigated the complaints made by the Harlem brokers, 153 of them, of which 140 came from three brokers—Frost, Axt and Greenidge. In general, Mr. McCullough stated, the department found what the company people testified to at the hearings. In reply to a question by Sen. Friedman, he said that there was no statute to compel a company to take a risk because it is colored, if this actually occurred—which he had been unable to find was so. However, the department does have the power of examination, publicity, etc.

### Study Assigned Risk Plan

Superintendent A. J. Bohlinger told the committee he did not think it fair to make automobile drivers without an accident record pay a 15% surcharge as they must do when forced to obtain auto B.I. and P.D. cover through the assigned risk plan. He said some automobile operators living in Harlem and other congested areas do find it difficult to purchase such cover, and the department intends to study loss experience in congested areas and examine the operation of the assigned risk plan.

Mr. McCullough commented that new applications for insurance through the assigned risk plan were approximately one-third less in 1950 than they were in 1949 for the same period. About 12% of the risks in the plan have no accident records, and he indicated that it is the surcharge on these risks that the department is questioning. Sen. Friedman was interested in the problem of assigned risk insured getting higher than basic limits, and Mr. McCullough said

(CONTINUED ON PAGE 24)

## Get Set for Reporting on New Combined Blank

Charles C. Dubuar, secretary of the blanks committee of National Assn. of Insurance Commissioners, has sent to all insurance departments a copy of the suggested procedures for compiling the 1950 fire and casualty annual statement blank as it was drafted by an industry committee headed by T. F. Tarbell, actuary of Travelers. Mr. Tarbell is chairman of the all-industry committee on uniform accounting.

National Board and Assn. of Casualty & Surety Companies are distributing copies of these procedures and sample copies of the new combined fire and casualty statement to their member companies and the material is being otherwise disseminated throughout the field.

The new combined statement on an earned accrual basis involves material changes especially for casualty companies, from the present separate forms of fire and casualty statements. A complete copy of the new combined annual statement can be purchased from Brandon Printing Co. at Nashville.

Much of the material contained in the suggested procedures of the Tarbell committee concerns adjustments which are required only for the first year of transition from the 1949 fire and casualty blanks to the 1950 combined blank. Most of the adjustments principally relate to casualty companies.

The annual meeting of Kansas Assn. of Mutual Insurance Companies has been set for October 5-6 at the Lassen hotel in Wichita.

## Commercial Travelers Group Elects

New officers of International Federation of Commercial Travelers Insurance Organization elected last week at Lake Louise, Alberta, Can., are: President, Loring Elliott, Physicians Casualty; vice-president, Richard F. Cavanaugh, Illinois Traveling Men's Health, and secretary-treasurer, John S. Whittemore, Eastern Commercial Travelers Accident (reelected). Robert A. Cavanaugh, Illinois Commercial Men's, is the retiring president.

Named to the executive board were Currie C. Chase, Iowa State Traveling Men's, chairman; Theo. C. Abele, Travelers Protective; A. W. Franklin, United Commercial Travelers; R. E. Pratt, Travelers Health; Edward Trevett, Commercial Travelers Mutual Accident; Frederick A. Nichols, Connecticut Commercial Travelers A. & H.; Paul Clement, Minnesota Commercial Men's; Mell Hobart, Ministers Life & Casualty Union, and Robert A. Cavanaugh.

### N.W. Mutual School Set

The annual Northwestern Mutual Fire school of insurance has been scheduled to open Sept. 11, at the home office at Seattle. Courses will be administered by Ainsworth Blogg, director of education, and will include intensive training on all phases of the company's operations. Attending the three week session will be special agents, underwriters, inspectors, adjusters and other key personnel.

## Behind the Scenes With YOUR INSURANCE COMPANY

In every insurance company there is a vital activity called Claim Service. When accidents happen, it is Claim Service that takes over for the insureds and protects their interests.

# Beyond the demand of service...



It was five below . . . the road was icy . . . the truck couldn't pull the trailer off the railroad tracks. Until the last second the driver fought desperately for traction under his spinning wheels as a heavy freight bore down!

The crash demolished the trailer . . . derailed the Diesel locomotive and thirty freight cars. . .

Within an hour our claim representative with a photographer was at the scene. He spent the next five days interviewing witnesses, getting statements and checking details. All this was primarily in the interest of the trucker—the total damage he had caused far exceeded his insurance.

This case is typical of our specialized services that go far beyond the usual conception of the activities of an insurance company—services that are offered you through our agents and insurance brokers.

One of an educational series appearing in general and business magazines.

## AMERICAN SURETY GROUP

AMERICAN SURETY COMPANY  
NEW YORK CASUALTY COMPANY  
SURETY FIRE INSURANCE COMPANY

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### REINSURANCE

CONSULTANTS AND INTERMEDIARIES

"WE ARE WHAT WE DO"

CASUALTY • SURETY • FIRE • MARINE

## Cargo Theft Cover Construed in Favor of Insurer

Employers Mutual Casualty has been relieved of liability under a decision of Nebraska supreme court for loss by theft of 93 kegs of nails on the ground that the merchandise was not in the hands of White Line Transfer Co., the insured, as a common carrier. The case was Law, et al vs. Employers Mutual Casualty.

Sam Friedman was the shipper of the nails. The theft endorsement on the motor truck cargo policy that was involved insured against theft of merchandise while temporarily on docks or in warehouses for not more than 24 hours and while in actual transit.

The decision was that the goods in this case were delivered to the carrier and held subject to the control of the shipper and hence the status of the nails was not that of goods in the hands of a common carrier.

### Picked Up 124 Kegs of Nails

On Dec. 23, 1948, a White Line truck picked up at the direction of and for Sam Friedman, 124 kegs of nails. These were to be a part of a carload shipment which was to be made to California on the following day. Friedman directed that the load be taken to the White Line's place of business where it was to remain over night when it was to be taken to the team track of the Union Pacific Railroad where it was to be loaded on a car with other nails for shipment. No car had been ordered or was ever ordered for the shipment. On account of the condition of the weather and the lack of space to hold the trailer on which the nails were loaded, the nails were, by direction of one of the partners of White Line, unloaded on an inside dock. During the night the place was forcibly entered and 93 of the kegs of nails were stolen.

In the light of the evidence, the supreme court stated, it was clear that every move and handling made or contemplated of these nails except one, was under the direct supervision and control of Sam Friedman. The single exception was the unloading from the trailer to the dock, the location to which he had directed them to be taken on Dec. 23, 1948, where, by his direction, they were to remain until the following day.

The shipper would have been covered under a transportation floater policy.

## 350 Farm Bureau Managers Attend Toronto Convention

More than 350 district managers and officials of Farm Bureau companies attended the annual district managers' convention in Toronto.

Principal speakers were J. K. MacDonald, president of Confederation Life; M. D. Lincoln, president of Farm Bureau companies, and Dr. N. V. Peale, pastor of Marble Collegiate Church, New York City.

Farm Bureau men from Columbus who took part in the program included J. R. Moore, assistant to the president; J. E. Keltner, vice-president and controller; H. S. Ballard, vice-president and general counsel; H. W. Culbreth, vice-president public relations; H. E. Evans, vice-president personnel; Bowman Doss, agency vice-president; C. W. Leftwich, vice-president and secretary; M. E. Foltz, assistant vice-president claims; W. E. West, vice-president and treasurer; E. A. Rule, assistant vice-president office management; Ernest McChesney, special casualty representative; R. W. Heffner, supervisor of management development; William Trucksis, supervisor of advertising and promotion; George Wolf, special life representative; Howard Hutchinson, director of agencies; C. C. Gay and N. J. Denlinger, superintendents of agencies, and S. J. Clough, supervisor of agency training.

## Zack Cravey Issues Warning

Zack D. Cravey, comptroller-general and insurance commissioner of Georgia, has issued a warning on unlicensed insurance.

Mr. Cravey stated that there is a disturbing increase in the number of fly-by-night unlicensed insurance companies in Georgia. These are increasing their contact with the people through advertising and the mail, and "it behooves me to warn our citizens against doing business with them."

"These fly-by-nighters and mail order outfits are operating without regard for the insurance laws of the state of Georgia," he declared. "As a result, the people who are taken in on their schemes have no protection because the state has no way to regulate them or to require them to live up to their contracts if they have no intention of doing so."

"On the other hand the qualified insurance companies who are licensed to do business in the state pay their fair share of the taxes and are governed by the state laws designed to protect the policyholders in Georgia."

"The best way for a person to get rooked is to do business with a company operating under the guise of offering the people a big opportunity, when in reality it might be nothing but a hoax."

## Wash. Agents' Association Opposes UCD Referendum

Washington Assn. of Insurance Agents has prepared a statement against Referendum 28, the proposed UCD measure of the California type. It is being published in the secretary of state's handbook, of which every voter in the state will receive a copy prior to the Nov. 7 election.

"Despite the fact that we as insurance agents would be beneficiaries because of the huge market created by compulsion to buy, we are opposed to enactment of any law which compels a citizen to purchase any service or commodity which can be secured in a free, competitive open market," the statement says.

"We also believe that as this referendum compels wage-earners to purchase insurance which is readily available from scores of companies at competitive rates, there is no need for this type of law. The coverage offered under the proposed new state bureau would be more restrictive than that which can be purchased in the open market for less money. We are opposed to the establishment of another state bureau to render a service not needed by the citizens of the state of Washington."

It points out that this is the first time in the history of the United States that the voters will have an opportunity to vote on a special scheme to be financed by pay-check deductions. It declares the mounting number and size of pay-check deductions are serious threats to the freedom of the working man. "As long as he is able to purchase at competitive rates insurance or any other service, why should the state pass a law compelling him to take another pay-check deduction in order to secure protection which the state says he needs?"

In addition to the state association, all of the affiliated local boards have signed the statement.

## Ludlow Oklahoma President

Burt Ludlow, Travelers, vice-president of Oklahoma Casualty & Surety Assn., has been advanced to president to fill a vacancy caused by the resignation of N. P. Gardner, Jr., National Surety, who has been transferred to New York. Carver Williams, Employers group, was made vice-president and H. A. Houston, American Surety was renamed secretary.

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## Projected Insurer Gets Boost

More than 200 attended the dinner at Chicago Friday that was given by M. A. Kern in furtherance of the organization of All-American Casualty. It was in the nature of a celebration of reaching the halfway point in the objective of selling one million shares of \$1 par value stock



M. A. KERN

at \$2 per share. The group included a good number that had been associated with Mr. Kern in the old Alliance Life of Chicago, which was sold to Republic National Life, and included A. J. Schmidt, who was executive vice-president of Alliance.

Mr. Kern, in addressing the group, said that the insiders could have sold control of Alliance Life for \$7.50 a share, but he insisted that he would not approve any deal unless the same offer was made for all the stock and hence the Republic National offer was accepted which gave all stockholders \$6 per share. He said that he and his associates sold out because "you can't go broke taking a profit" and because it gave him an opportunity to organize a casualty company, and one that might eventually go into both fire and casualty business. This, he said, gives him and his brother, L. D. Kern, the opportunity to devote their entire time to the casualty and perhaps the fire business.

Mr. Kern said there has been pledged to the company \$2 million in premiums when it is ready to start underwriting. He indicated that the company might make quite a bid for reinsurance. Alliance Life was a factor in the reinsurance business. Mr. Kern said that he got interested in that line of activity when he saw the big difference between what Alliance Life paid out to its reinsurers and what it got back from them. Also he was impressed with the fact that a reinsurance operation can be conducted with the minimum in the way of manpower.

### McCaffrey on Salesmanship

One of the speakers was John L. McCaffrey, president of International Harvester Co., who has known the Kerns for many years and who said that because they were honest and because they had a record of success in the insurance business, he was willing to appear on that occasion. Mr. McCaffrey went on to give some of his ideas about salesmanship. He said that success in insurance is due to its salesmen. They are what make insurance "tick."

Salesmen, he said, have to learn how to live by their wits. For the past 10 years there have been no salesmen. The art of real salesmanship has been lost. Too many salesmen, he declared, have run out of conversation and when they do that they are through. There is more business done after 3 p.m., he declared,

than there is in the traditional working hours.

Mr. McCaffrey said he would not want to work for a company that does not make a profit. He would not want to work for a company that did not have in mind the employee, the stockholder and the customer. When all are working together it is a successful company. Then he would insist that there be a need for the product. Can the salesman always go back to the same customer and sell him more?

There has never been a greater opportunity for a company that meets these

tests, Mr. McCaffrey declared.

Another speaker was J. P. Frey, president of Lake Shore Bank of Chicago and president of Illinois Bankers Assn., who recalled that many years ago he got the account of the Kerns when M. A. Kern was head of the old Mutual Casualty at 731 Sheridan road, Chicago. Mr. Frey recalled that Mr. Kern was born at Midland, Ind., then was located at Watseka, Ill., attended the University of Illinois, worked for Prudential at Omaha, organized U. S. National Life of Sioux Falls, S. D., then went to Chicago and formed Mutual Casualty and later

Life & Casualty, which subsequently became Alliance Life.

Howard Mankin, manager of Excess Underwriters at Chicago, and Ray Matson of First National Bank of Chicago were the other speakers.

One of the leaders in organizing All-American is Cletis D. De Barry, who is a leading producer for Equitable Society at Chicago.

R. H. Sutton, who was formerly production manager for Massachusetts Bonding at Chicago, has been engaged in selling the stock mainly to insurance people.

*"Unforeseen events . . . need not change and shape the course of man's affairs"*

Another business-building Maryland advertisement designed to dramatize the vital importance of the local agent's knowledge, experience, and judgment.



## You don't get a second chance

A PARACHUTE has to work the first time. And so must your insurance. When an accident happens . . . when heavy financial loss looms . . . your policy must protect you then and there. You get no second chance to plug loopholes, to insert clauses, to increase coverage. You're either protected—or you're in trouble.

That's why your choice of an insurance agent is so important. You need a man whose recommendations you can rely on. You need a man

whose judgment you can trust. You need a man intimately familiar with the types of casualty and surety coverages best suited to protect your home, your possessions, your business.

Fortunately, such a highly-qualified agent or broker is located right in your own community. To reach him, just call your near-by Maryland representative.

*Remember: because your Maryland agent knows his business, it's good business for you to know him.*

## MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

*All forms of Casualty Insurance, Fidelity and Surety Bonds, for business, industry and the home, through 10,000 agents & brokers*



## ACCIDENT AND HEALTH

### Hearing on Pacific Mutual Mutualization Concluded

LOS ANGELES—Commissioner Downey has concluded a three-week hearing on the petition of Pacific Mutual Life for approval of the plan of mutualization, and has taken the question under consideration. He gave no estimate of when he would render his decision.

An outstanding feature of the hearing was Mr. Downey's ruling that he would not retry the 1936 court proceedings. He declined to admit as evidence excerpts from the transcript of that trial that would admit them to the record as an offer of proof. He also refused to allow the record to show that the purchase offer by American National had not been accepted. He did, however, permit the fact that such an offer had been made to be read into the record.

### Bureau Manual Widely Used

J. F. Follmann, Jr., manager of Bureau of A. & H. Underwriters, reports that as of July 1, 66 companies in the commercial accident field were using the 1948 Manual of Occupational Classifications promulgated by the bureau. Of these, 48 are members of the bureau and 18 non-members. Four member companies are not now in the commercial accident field and hence the manual would have no applicability to them. Two member companies are planning to use the bureau manual in the near future and three others are giving consideration to its use at a later date.

Mr. Follmann states that any company, whether a member of the bureau or not, is free to use the bureau manual if it so desires. Non-member companies may order supplies of the manual by addressing the bureau.

### Divide Wall's Work

Now that William E. Wall has left Modern Life & Accident of Chicago to become chief examiner of the Illinois insurance department, his work is being taken over by Ralph Manno, president of Modern L. & A. and his son, Vincent Manno, who is vice-president. The latter has become a strong factor in the company and has been assuming increasing responsibilities. Mr. Wall was general office manager and agency director. Vincent Manno graduated at John Marshall Law School in 1943 and then entered military service. He intended to engage in law practice, but after the war, he agreed to assist his father in the operation of Modern Life & Accident and he is now an enthusiastic convert to an insurance career.

### Honor 45-Year Man

Burt A. Hatch, Detroit, who has just completed 45 years' representation of Fidelity H. & A. Mutual, was honored during the past week at special ceremonies at the home office.

He joined the company directly after his graduation from Kalamazoo College in 1905. He sold 27 policies on his first field trip. He was soon named field supervisor and in 1910 became manager at Kalamazoo. Later he established an agency office at Detroit.

Two of the company's founders, A. R. Arford, treasurer, and E. C. Edmunds, chairman, attended the affair.

### Davis on Executive Board

Emerson Davis of Dallas, Texas state agent of Inter-Ocean, has been appointed to fill an unexpired term on the executive board of International Assn. of A. & H. Underwriters. Mr. Davis has been active in A. & H. association affairs for many years. He has been a leader in the Texas Association in recent years, and before that in Ohio, was instrumental in the development of the Ohio association. He is general chairman of the 1951 convention of the International association at Dallas.

### Betz Joins Commercial; Greenhalgh Promoted

Carl W. Betz, actuary of the Arizona department since 1947, has been named actuary for Commercial Life and Commercial Benefit of Phoenix. After graduation from University of Michigan, he was with Northwestern Mutual's actuarial department.

Heber J. Greenhalgh, formerly Salt Lake City regional manager for the companies, has been transferred to the home office and promoted to administrative assistant. He joined the companies in 1946 after service with the air force. He is a graduate of Utah State.

### Audit Hospital Claims

Retail Credit Co. is offering to A. & H. companies an audit of hospital claims service. If, under hospitalization coverage, the hospital bills are submitted directly to the company the service enables the company to check the bills for accuracy.

The service resulted from the experi-

ence of several companies usually involving small, privately owned hospitals. In some instances, it appeared that hospital charges had been extended to help cover surgery or other expenses. Retail Credit was asked to check with the persons hospitalized.

A check can also be made when hospital bills show a period of confinement out of line with the type of surgery reported.

### Olanow Named Supervisor

David Olanow has been appointed agency supervisor for the Norman L. Utts agency of Paul Revere Life at Buffalo. He is a native of Toronto, and has been an outstanding personal producer for the company for four years. He is a director of Buffalo Assn. of A. & H. Underwriters.

### Zurich Shifts Group Men

A. H. Hotson, New York regional group manager of Zurich, has been transferred to Chicago in charge of compulsory disability benefits plans and new business. S. J. Lavigna, Cleveland manager, will succeed Mr. Hotson in New York. R. W. Melvin has been ap-

pointed New York City manager and C. A. Stark has been named Cleveland manager. P. L. Wilmot, R. Firth, G. E. Moore and J. D. Breslin have been named representatives in Buffalo, Albany, Syracuse and Pittsburgh, respectively.

### Guion New Indiana Head

Harry J. Guion, Business Men's Assurance, has been elected president of Indiana Assn. of A. & H. Underwriters. The new vice-president is Chester C. Elson, Mutual Benefit H. & A. Wendell C. Taylor, Taylor Publishing Co., was reelected secretary-treasurer.

### G.A.B. Changes Made

DALLAS—Carl J. Billingsley, manager at Fayetteville, Ark., for General Adjustment Bureau, has been transferred to Fort Smith to succeed Tom Staton, who is now manager at Austin. The new Fayetteville, Ark., manager is Frank W. Chambers, who has been an adjuster at Jonesboro and in Oklahoma four years.

W. B. O'Neal, senior casualty adjuster at Tyler, Tex., has been transferred to Little Rock.

**HAWKEYE - SECURITY • INDUSTRIAL • TWO OF THE FINEST**

# Agents Like Our Companies...

## BECAUSE THEY GET ALL 3

**HAWKEYE-SECURITY & INDUSTRIAL** are working constantly to build more sales for agents.

Every service is provided to help agents step-up production, providing service without red tape . . . prompt, equitable settlement of claims . . . skilled field representatives to work closely with all agents.

Yes, here are two fine companies to do business with.

# HAWKEYE - SECURITY INSURANCE COMPANY

# INDUSTRIAL INSURANCE COMPANY

Des Moines, Iowa

**HAWKEYE - SECURITY • INDUSTRIAL • TWO OF THE FINEST**



**School Cover Bids Rejected**

ST. PAUL — Because the city council was not satisfied with the surplus showing of some of the companies bidding, it rejected all bids on \$14 million

of public school insurance which expired Aug. 18 and placed a 30-day coverage with McCarty & O'Toole at a premium of \$1,163. New bids were called for on a three-year policy with a coinsurance clause.

## A Bonding Department

...so organized  
as to provide  
the small as  
well as the  
large risk with  
PERSONALIZED

ATTENTION

FIDELITY AND



SURETY BONDS

*American Casualty Company*

OF READING, PENNSYLVANIA

NEW  
1950

**NON-CAN**  
Accident & Sickness  
COVERAGES

Four basic policies plus optional extra benefits

BROKERAGE BUSINESS INVITED

**PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY**

CHATTANOOGA

protecting provident people since 1887

## CHANGES IN CASUALTY FIELD

### Frederick Allstate Manager on Coast

Enoch A. Frederick, resident manager of Allstate's Los Angeles regional office since 1947, has been appointed to the newly created position of resident vice-president and Pacific Coast zone manager. He will be responsible for the general administration of regional offices at Los Angeles, Menlo Park, Seattle and Dallas. During his 11 years with Allstate, Mr. Frederick managed the east central, midwestern and Illinois branches before going to Los Angeles. He is a graduate of Boston University school of business administration and De Paul University law school.

W. Victor Stock, Jr., who has managed Allstate's Atlanta regional office since 1948, succeeds Mr. Frederick as resident manager at Los Angeles. A graduate of U.C.L.A., he has been associated with Allstate since 1937 except for service in the marine corps during the war.

Grenell H. Bartlett has been appointed manager at Atlanta for Allstate.

Mr. Bartlett has been with Allstate since 1946. After managing the claim office at Portland, Ore., he became claim manager at Atlanta in 1947. He is a graduate of University of Syracuse and an army veteran.

### F. & D. Advances Henderson

Fidelity & Deposit has promoted William E. Henderson, Jr., to assistant manager at St. Louis. Mr. Henderson has been with the St. Louis branch since 1938 as solicitor, assistant in the judicial department, and special agent. He is the immediate past president of the St. Louis junior chamber of commerce.

### J. F. Reynolds to Mich.

John F. Reynolds has been appointed bond special agent in Michigan for Hartford Accident with headquarters at Grand Rapids. He succeeds John F. Beardsley, who has become assistant surety superintendent at Chicago. Mr. Reynolds graduated at Michigan State College and for several years was claim representative in the northern peninsula of Michigan. Lately he has been in the bond department at Chicago.

### W. D. Newton Changes

Willmer D. Newton has been employed as supervisor of liability and workmen's compensation losses by Casualty Underwriters, Inc. of St. Paul. He is an attorney admitted in Minnesota and North Dakota. Mr. Newton joins Casualty Underwriters after five years of casualty claims work with Anchor Casualty.

### Burns Succeeds Gardner

N. P. Gardner, Jr., Oklahoma manager of National Surety, has been transferred to New York and will be succeeded in Oklahoma by John K. Burns of Akron, O., effective Sept. 1.

### McLaughlin to Tex. Insurers

Charles F. McLaughlin, former assistant secretary of United States Casualty in charge of the burglary, glass and public relations departments, has been named manager of the burglary and glass departments of Houston Fire & Casualty and General of Fort Worth.

### Two Named at Boston

J. Kenneth MacKenzie has been appointed manager of the bonding department of Maryland Casualty at Boston. For seven years he has been assistant manager at Harrisburg, Pa., where he headed all bonding activities.

Francis T. Hill has been appointed assistant manager at Boston. He joined

the company in 1921 and has been manager of the Boston casualty department for 13 years. He will continue in charge of all casualty operations there.

### New Continental Casualty Branch at Kansas City

A new branch office has been established at Kansas City by Continental



H. F. Frederick

Maul A. & H. manager.

Mr. Frederick since January has been assistant manager of the Chicago branch. He started with Liberty Mutual in the claims department and after six years joined Emmco Casualty as claims manager, later going to Detroit as manager there. Following army service he went with Continental Casualty as surety special agent in Cook county. In 1947 he became special agent in charge of downstate Illinois.

Mr. Terry for 15 years has been with Aetna Casualty at Kansas City. He has successively worked in the automobile, liability and compensation departments. Mr. Maul entered insurance at New Orleans with Minnesota Mutual Life. He joined Continental Casualty there as special agent. He then was transferred to Chicago as manager of a sub A. & H. branch.

### Keuchel to National Group

National Fire group has appointed Lawrence P. Keuchel special agent at Dallas to develop fidelity, casualty and surety lines. Mr. Keuchel has been with Central Surety as a field man at Dallas for several years.

National Fire is expanding its quarters at Dallas by moving to room 610 in the Wilson building.

### Hendricks Made Conn. S. A.

William R. Hendricks has been appointed Connecticut special agent for American Indemnity. He will assist William C. Mansfield, branch manager of the Connecticut office at New Haven. Mr. Hendricks served in the last war.

John H. Reed has been named manager of the survey analysis department of the James S. Kemper & Co. agency office at Peoria, Ill.

Thomas E. O'Brien has been named office manager at San Francisco of Standard Accident replacing C. S. Squibb. He was formerly assistant office manager of Swett & Crawford.

### Opposes Direct Filings

The filing of new forms and rates directly with the department, thus sidestepping rating associations or bureaus has been opposed by New Hampshire Assn. of Insurance Agents. Though such filings have as yet been made in the state, the association at a recent meeting drew a resolution recommending that all filings of members and subscribers of rating associations be made originally through such organizations either voluntarily or by department ruling.

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## COMPANIES

### Lloyds Casualty of Tex. Now Stock Company

Lloyds Casualty Insurer of Houston has been converted into a stock company under the title of Pan-American. Under the same management is Pan-American Casualty, which was organized in 1947. The new company starts out with capital and net surplus of about \$500,000 and assets of \$1,300,000. T. E. Gammage, Sr., is president and chairman; Earl W. Gammage, vice-president and general counsel; T. Earnest Gammage, Jr., vice-president and secretary; Felix L. Elkins, vice-president in charge of underwriting; Frank I. McPherson, vice-president and treasurer; E. J. Wills, Jr., assistant secretary and claims attorney and Robert L. Harper, assistant secretary and general claims manager.

The new company has a multiple line charter, but it will confine its operations to general casualty lines including taxicab and butane gas insurance.

Lloyds Casualty Insurer was organized in 1939.

### Buckeye Union Record

Net premium writings of Buckeye Union Casualty for the first six months of 1950 were \$5,167,282 which was an increase of 11.1% and was the largest volume ever rolled up in a half year period. Capital is \$1 million and net surplus \$2,056,696, which was an increase of nearly \$600,000 from Dec. 31. Assets are \$12,330,602.

Assets of Buckeye Union Fire were \$3,327,936, premium reserve \$1,882,941, capital \$500,000, voluntary security fluctuation reserve \$50,000 and net surplus \$632,599.

### Pacific Indemnity's Half Year

Pacific Indemnity's net premiums written the first six months of 1950 were \$11,573,766, a decrease of \$118,238 or 1% from the first six months of 1949. Total earnings, after federal taxes, were \$430,399, compared with \$402,050 for the same period of 1949.

Assets June 30 were \$40,713,836, an increase for the six months of \$1,228,831, and surplus to policyholders \$11,741,599; increase \$177,193.

### State Auto of Ia. to Build

State Automobile of Des Moines has let contracts for a \$500,000 home office building to be built at Fifth avenue and Keosauqua Way in Des Moines.

Construction will begin about Sept. 1 and the building is expected to be completed by next Aug. 1. It will be three stories, 108 by 152 feet.

Commissioner Downey has approved the name of Acme Automobile Insurance Co. for a proposed new insurer to be organized at Los Angeles.

### Symposium on Aspects of Rate Regulation

This fall Duke University will publish a symposium on various aspects of insurance regulation in the quarterly, "Law and Contemporary Problems." James B. Donovan, general counsel National Bureau of Casualty Underwriters, will treat "Insurance Regulation Under the McCarran Act," one part of which will discuss the future of insurance under the act; Dr. C. Arthur Kulp, professor of insurance at the Wharton School, will write on the rate making process; Henry S. Moser of Allstate, representing National Assn. of Independent Insurers, on operations of independents under the rate regulatory pattern; Franklin J. Marryott, general counsel of Liberty Mutual, operations of mutuals under rate regulation; Frederick U. Andres, attorney for North Little Rock Transportation Co., which now has a case challenging the all-

industry rating legislation before the Supreme Court, on what is wrong with taxicab insurance rates; Herbert C. Brook, Northwestern University law school professor, criticism of the rate regulatory pattern; Charles P. Butler, New York attorney and former vice-president of National Assn. of Insurance Agents, on activities of agents under the McCarran act; Arthur Pedoe, manager and actuary for Canada of Prudential of England, on a Canadian view of regulation by a federalized government, and Commissioner Harrington of Massachusetts, on administration of insurance laws.

### Hartong Agency Partner

William A. Hartong, for 14 years with Sheffer-Cunningham, Wichita adjusters, and member of the firm for four years prior to his retirement in 1949, has acquired an interest in the W. G. Matchette & Co. agency there. Others in the firm are Bland Warren and Mr. Matchette. Mr. Hartong started with Dulaney, Johnston & Priest while a student at the University of Wichita. During the last war he was in the navy.

The first fall regional meeting of Oklahoma Assn. of Insurance Agents will be held Sept. 25 at Durant.

## SURETY

### REA Unit Collects on Embezzlement in N. H.

WASHINGTON — E. W. Saunders, rural electrification administration insurance chief, states that the surety made good to a New Hampshire rural electric cooperative from which a former manager embezzled approximately \$14,000, according to a report from a House expenditures subcommittee which investigated the government agency. Names were not mentioned.

Rep. Hardy, Virginia, headed the REA inquiry. His report was adopted by the full committee. The report said:

"A New Hampshire cooperative, 106 months old, according to REA records, was in the red to the extent of \$411,000 at the end of 1947. At the close of 1948 this cooperative was in the red \$468,000 in total operating loss.

"The audit reports show that the books and records were in very bad shape and the manager incompetent. Administrator Wickard testified that this cooperative was recently granted a loan of approximately \$1 million. A supervisor from REA has managed the above cooperative since April 1949. At

the end of 1949 the total deficit in this cooperative was \$561,379.

"Administrator Wickard seemed to attribute none of this cooperative's financial difficulty to mismanagement or dishonesty, which were both evident from the records on the cooperative. Approximately \$14,000 was embezzled by a former manager. REA suffered no monetary loss, however, as the manager, REA Region I head, stated, was bonded.

"Mr. Wickard's statement before the subcommittee in regard to this cooperative follows:

"I want to say this cooperative has had hard going ever since it started. One thing that got them into trouble was the fact that about the time they got started the war came along and they do rely quite largely on tourist trade or resort trade and the resort business just went all to pieces during the war because people could not travel."

### Mutual Parleys at Cincinnati

Mutual Insurance Advisory Assn. will hold a conference on uniform accounting and statistics in Cincinnati Oct. 3. The previous day American Mutual Alliance will hold an office management and personnel conference.



ONE OF 142 Quality Checks

We don't trust to luck when we make L-O-F Safety Plate Glass. Our Check No. 41 is a good example. At regular intervals, plate glass blanks from the annealing lines are removed to a testing table, where they are carefully inspected for quality and gauged for thickness.

This is only one of 142 Quality Checks and Controls. All of them are equally important to you and your policyholder—because they assure:

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HI-TEST SAFETY



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There are two grades of Safety Glass—one made of polished plate glass, the other of sheet or ordinary window glass. Claim Agents who are on their toes, when honoring broken glass claims, always specify Safety Plate Glass and look for L-O-F identifying stencil on each light supplied. That assures the policyholder and your company of getting full value.

## Dallas Agents' Association Adopts New Constitution

DALLAS — Coextensive membership in the Texas and National associations and an entirely new section providing police powers over members feature the new constitution and by-laws adopted by Dallas Assn. of Insurance Agents.

The provision requiring coextensive membership, effective Oct. 1, brings the Dallas association into line with other Texas local boards and with practically all of the metropolitan associations in the country.

The new article on police powers sets up a procedure for hearing charges, conducting trials and imposing penalties on members. Charges must be made in writing to the directors, following which a hearing will be called to hear all evidence. Penalties range from \$25 for minor offenses of "inadvertence or error" to not more than \$100 for those of "willful and deliberate character" on up to suspension of membership. Under the old constitution a member could be dropped only for non-payment of dues.

Associate members, or solicitors, now must be connected with an active member's office.

## There Are Times When You Need a SPECIALIST!

A few of our Specialties are:

WORLD-WIDE PERSONAL or GROUP ACCIDENT  
(Including War Risk!)

NON-FILING CHATTEL MORTGAGE INSURANCE

DEDUCTIBLE FIRE and EXTENDED COVERAGE

RADIO STATION LOSS of REVENUE

SUICIDE INSURANCE

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SERVICING AGENTS AND BROKERS  
EXCLUSIVELY

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## Companies' First Six Months Results

	Assets June 30	Surplus June 30	Increase or Decrease in Surplus from Dec. 31 1937	Premiums First Six Months 1938	Written First Six Months 1938
Agricultural .....	\$23,877,566	\$ 9,688,280	\$ 679,777	\$ 5,381,475	\$ 5,848,400
Alliance, Eng. ....	6,976,861	3,395,088	166,587	1,319,310	1,431,540
American Central ..	12,215,540	4,703,360	22,358	3,133,216	3,096,917
American Guarantee ..	9,296,707	2,741,480	343,455	3,025,332	2,502,744
American Reserve ..	10,839,667	3,135,725	225,714	3,073,544	2,568,546
British & Foreign ..	9,242,258	4,343,979	78,254	1,710,040	1,007,975
Camden Fire .....	28,499,229	10,481,704	258,399	6,960,174	6,940,700
Commer. Union Assur. ..	26,613,080	9,987,609	517,078	6,972,517	6,987,941
Commer. Union Fire ..	5,684,532	2,154,824	120,438	1,388,541	1,397,492
Commonwealth .....	11,748,986	5,404,354	-98,638	2,243,133	2,188,146
Empire State .....	5,988,989	2,514,064	117,003	1,345,369	1,462,143
Federal .....	48,498,386	25,504,951	928,215	8,336,157	7,690,209
Hartford Co. Mut. Fire.	6,214,666	5,383,936	123,486	299,684	267,521
Homeland .....	5,957,914	2,730,834	26,249	1,199,325	1,118,739
L. & L. & G. ....	34,356,696	12,629,785	348,633	7,546,242	7,944,404
Marine .....	10,329,182	5,464,529	227,026	1,836,459	2,038,203
Mercantile .....	11,206,738	4,870,442	-43,993	2,232,524	2,188,146
Monarch Fire .....	4,457,660	1,919,360	31,719	1,022,115	929,790
Newark Fire .....	20,272,849	8,062,852	234,087	4,334,835	4,543,224
N. Y. Underwriters ..	15,502,247	8,509,955	-47,107	2,470,458	2,561,200
North British & Merc.	21,144,740	7,901,562	85,751	4,825,588	4,471,545
Northwestern F. & M. ..	4,808,849	2,946,261	97,186	792,082	787,424
Pearl Assurance .....	17,071,672	7,221,143	-228,381	3,884,035	3,532,088
Public Service Mut. ....	6,640,294	1,258,430	-44,665	2,276,317	1,974,688
Seaboard F. & M. ....	4,474,962	1,754,471	-31,666	1,149,663	1,222,180
Standard Marine .....	10,669,860	4,516,105	66,403	2,504,569	2,957,407
Star .....	19,249,457	6,496,554	-313,129	6,112,379	4,055,145
State Auto, Ind. ....	13,797,021	5,612,229	501,055	4,726,568	4,188,146
Thames & Mersey .....	5,479,844	2,775,711	60,922	944,469	555,104
Union of Canton .....	8,345,863	3,352,573	15,059	1,454,593	1,661,083
Vigilant .....	7,923,378	4,599,978	142,561	1,235,399	1,263,727
Virginia F. & M. ....	5,591,345	2,266,237	38,508	1,219,284	1,312,407
Yorkshire Indemnity ..	5,666,278	1,576,434	-1,571	1,481,684	1,959,294
Yorkshire .....	5,950,459	2,477,017	50,477	1,510,410	1,336,082
Zurich .....	70,249,517	20,410,954	446,216	19,998,331	21,518,185
Zurich Fire .....	4,200,847	2,533,224	123,112	1,261,909	1,365,950

## Pueblo Hail Loss Now Set at \$2½ Million

The hail storm at Pueblo, Colo., July 25 is turning out to be even worse from an insurance standpoint than was feared immediately after the occurrence. There will be about 8,000 claims averaging about \$300 so the total bill will be about \$2½ million. General Adjustment Bureau has 60 men on the job and is cleaning the losses up as fast as possible. The schools were badly damaged on the south side and losses on them will run about \$12,000. The junior college loss will be about \$8,000.

## Plan 4-County Ohio Rally

Under the auspices of Ohio Assn. of Insurance Agents, a four-county meeting will be held at Granville Sept. 27. Agents from Perry, Muskingum, Delaware and Licking counties will take part. Superintendent Robinson and the state fire marshal will be present.

## La. Bureau Promotions

Kenneth L. McIntosh has been appointed assistant manager of Louisiana Rating & Fire Prevention Bureau, succeeding T. J. Hayes, who resigned to become assistant secretary of South-eastern Underwriters Assn. Wallace J.

Moll has been named chief electrical engineer to succeed the late George Welman.

Mr. McIntosh joined the bureau in 1948 after five years in the army. Mr. Moll has been with the bureau since 1922.

## Hartford D. C. Opening

WASHINGTON—R. K. Davis, Jr., manager of Hartford Fire, and T. R. Barker, manager of Hartford Accident, held open house at Hartford's new offices here, 1000 Vermont Avenue. Head officials and staff members joined them in welcoming guests.

## T. F. Casey Joins Eagles

CINCINNATI—Thomas F. Casey, formerly manager of the Employers Liability group at Kansas City, has joined the insurance department of the Eagles fraternal order here as manager of the F.O.E. Insurance Service. Mr. Casey joined the Kansas City office of Employers' as a file clerk 14 years ago and had been manager there nine years.

## Bankers L. & C. Addition

A \$500,000 addition is now in process of construction to the head office building of Bankers Life & Casualty at Lawrence avenue and Kenneth, Chicago. It is scheduled for completion Jan. 1. It will be completely air-conditioned and it will contain a continuous conveyor system connecting all offices. It will be a four-floor brick structure providing 50,000 feet of floor space and will double the present facilities. Presently, two full-time clerical staffs working in two shifts are employed.

## Complete Curriculum

University of Oregon school of business administration has completed its new curriculum in both the property-casualty and life fields. The university for two years consulted with a special committee of the Oregon Assn. of Insurance Agents, headed by J. Don Smith of Eugene.

The courses will enable a student to sit for either the C.P.C.U. or C.L.U. examinations. The association is soliciting the cooperation of company representatives in preparation of seminars to supplement the theoretical material with practical information.

William R. Sichel has resigned from Continental Casualty at New York where he has been production manager of the metropolitan department. Mr. Sichel plans to vacation until Oct. 1 and upon his return will announce his future plans.

Julian T. Wydro and William J. Kress have established an agency at Irvington, N. J.

# AMERICAN CREDIT INSURANCE



AMERICA'S ONLY CREDIT INSURANCE SPECIALISTS Our 58th Year

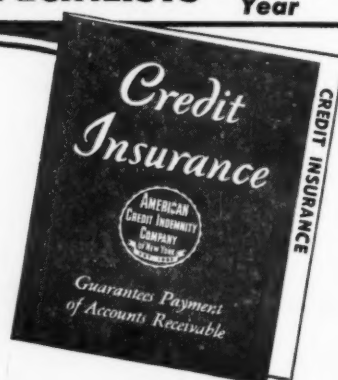
## This File Will Help You Complete Your Clients' Insurance Programs

It was written and designed especially for insurance Agents and Brokers . . . to save you time by putting everything you should know about American Credit Insurance in one handy file folder.

Remember your policyholders look to you for advice. Their coverage is not complete

if one of their most important assets—ACCOUNTS RECEIVABLE—is left exposed to crippling credit losses. For your file, phone our office in your city or write AMERICAN CREDIT INDEMNITY COMPANY of NEW YORK, First National Bank Building, Baltimore 2, Maryland.

**GUARANTEES PAYMENT OF ACCOUNTS RECEIVABLE**



## Sales Ideas at U. of Conn. Conference

(CONTINUED FROM PAGE 1)

the act. He also indicated how to make a tax free conversion of a partnership into a corporation. It is much easier to go from a partnership into a corporation from a tax viewpoint than to do the reverse.

### JUSTIFICATION

Agents should analyze their expenses, according to Mr. Rauter, because sooner or later they may be called upon to justify their commission incomes. If agents in the future are required to show how much they actually take from every commission dollar, it would be well to have a complete breakdown of office expenses including salaries, advertising, business auto upkeep, entertainment, office maintenance and rent. Mr. Rauter guessed that an expense analysis would show some agencies running at a loss, even today.

If an agent also analyzes his annual premium volume per line, he can use his findings as a sales guide in balancing his sales. A percentage breakdown of annual premium volume often reveals unbalanced operations. One agent scrutinized his volume and found A. & H. sales in arrears. He solicited every client on his books as a likely prospect. Mr. Rauter underlined the importance of handling small accounts. Agents are in public service—they can push the lines that produce a higher premium income to offset the losses from small accounts.

### Well Balanced Volume

One agent said his premium volume is roughly divided fire 32%, marine 6%, auto liability 9%, auto physical damage 11%, auto liability and physical damage combined 14%, workmen's compensation 5%, other casualty 16%, bonds 3%, life 5% and A. & H. 3%. Some agents thought this a well balanced volume. One agent stated it would be almost impossible to have an equal percentage distribution across the board. Referring to the recent Stott agency study, Mr. Rauter commented that no net profit was shown on any line where the individual premium was less than \$50.

In outlining a detailed method of keeping efficient office records, Richard J. Layton, vice-president of Rough Notes Co., stated that one sure way to increase profits is to decrease office costs. Saving as little as \$10 a month in needless expense is equivalent to securing a new \$1,000 annual premium.

### Need Strict Billing System

Insurance bills are usually the last to be paid, he said. For this reason, an agent should establish a billing system and never deviate from it. Today while money is still comparatively free, he urged agents to establish a firm collection system. Slow pay accounts wind up costing the agency money. On a \$30 annual premium average commission is 20%, or \$6. Of this \$6, half is immediately earmarked for operating expenses. Of the remaining \$3, the agent must spend about \$1 on telephone calls, letters or shoe leather to collect the delinquent payment. He nets \$2. In the early 1930's, Mr. Layton recalled, many agents failed because there was too much money outstanding on their books.

The physical setup of the office can save an agent's time, Mr. Layton stated. Many agents are over-concerned with having a private office when a knee-high railing will do as well. The agent should be located in the front of the office where clients can have easy access to him. The office personnel may then occupy the rear of the office so that visitors will not disrupt their routine duties. So few clients now pay cash over the counter that it is more convenient for the entire office staff if the accounts receivable ledger is placed in a more accessible place. Much time can also be saved if unnecessary footwork

is eliminated in the office. By centralizing the records and placing them near those who are required to work with them, precious minutes can be saved during the course of the day.

Should daily reports be filed alphabetically or chronologically according to expiration, one agent asked. Mr. Layton stated it does not matter. If an agent wants easy access to assured's daily at all times he recommends alphabetical arrangement. Although arranging dailies by expiration date is a time-saver on filing, an agent often has to search through many dates before he finds the right one. Most agencies will find that 50% of their business comes from 20% of the active accounts. Mr. Layton suggests that individual folders can be allotted to larger accounts while "one time" assured can be filed by expiration date.

An agent's advertising campaign should be tied in with his sales effort. Byron Clark of Young & Rubicam, New York advertising agency, said in discussing how an agent can better invest his advertising dollar. Most agencies are too small to engage the services

of an advertising agency and therefore must plan their own campaigns. He made several suggestions: Set the advertising budget on a 12 month basis so that it coincides with the fiscal year. Use company advertising material wherever possible but if you don't get good material, develop your own. Between 30 and 40% of all agents spend 50 to 75% of their advertising budget on calendars. He recommends a better distribution by including local newspapers, radio, direct mail as well as window displays and counter cards.

One agent said he no longer gives away blotters because their use is limited by new pen construction.

### Rules for Ad Plan

The agent's advertising plan should not be on a hit-or-miss basis, he added. It should be consistent, frequent and intensified when a particular coverage is being pushed. The advertising should reflect the agent's personality. The copy should carry a message which is repeated in all the advertising media the agent uses, whether newspaper, radio or direct mail. Window displays are an excellent means of advertising the agency which many agents overlook. If an agent does not have his own store front, he can rent one. Window

displays should be simple but dramatic. Feature local history from time to time. Tie it in with the agency's history, he suggested.

Cartoon treatment of ads was also recommended by Mr. Clark. Hire a local cartoonist to dramatize the need for a certain type of coverage. Avoid stunt newspaper ads such as high fire limits after a disastrous local fire.

Every agent should have a simple public relations program, Mr. Clark added. This can be maintained by bulletin type direct mail, sponsoring picnics or birthday parties, and participation in civic affairs, though the latter should not be over-extended.

### Flynn's Advice on Surveys

Although many agencies are well managed internally and provide good client service, some agents do little to systematically improve their clients' insurance program, according to Frederick J. Flynn, Jr., F. J. Flynn & Associates, New York, who advocates servicing accounts effectively through insurance surveys.

Start the groundwork by reviewing all renewals, he urged. Improve present client's coverage by automatically adding medical payments on his auto contract. Include piping and gas explosion



It's Wise to CENTRALIZE

**CENTRAL SURETY AND INSURANCE CORPORATION**

R. E. McGINNIS, President

HOME OFFICE KANSAS CITY, MISSOURI

on his boiler and machinery contract. Add a theft endorsement on his open stock contract. Don't let a letter leave the office that does not contain promotional material. Begin the survey operations on a small scale to get experience. Surveys require time, study and planning, but they pay off. If an agent is "too busy," let him hire an additional office helper to help in routine matters. Chances are that if an agent is under pressure, he needs more help anyway. The best place to invest money, Mr. Flynn said, is back in the business.

The agent's basic job is to protect the capital structure of commercial clients and the bank accounts of individual clients. This protection can be afforded only when all insurable exposures are examined and compared with existing coverage. Mr. Flynn favors making the survey first and then checking existing coverages. This is a more positive approach.

#### Advice from Roy Duffus

Roy A. Duffus, Rochester, N. Y., offered agents a good idea at a rate of one a second. Here are a few: Keep the top of your desk clear. The work seems less. Never keep dailies in your drawer. Don't wait until five o'clock

to sign the mail. Have your office modern. Know your policies. The auto contract has more than 45 important points. Most agents are familiar with about five. Know your manuals. When you are on the phone you can refer to them quickly. Quote \$2000 medical payments first. If necessary, you can work down to \$500. Remember that drive-other-car coverage and medical payments coverage cease when assured sells his car. Small premium assured deserve surveys too. Provide lawyers with insurance coverage check-lists.

In a quick, humorous style, Frank H. Beach, professor of marketing at the University of Illinois, told agents they must first sell themselves to their clients. Many sales are lost through little mistakes.

"Observe your selling technique with scrutiny and find where you are lacking. The prime factor in an insurance sales interview is to make the prospect discontented with his present coverage. Show him how you can improve it. Be polite. Don't answer objections by becoming objectionable. In selling an intangible such as insurance, fortify your sales talk with visual sales aids. Don't get discouraged if you don't make an immediate sale. Out of every ten calls

you will get three interviews and one sale. The tenth call may be the jackpot."

He underlined the importance of knowing how to close a sales talk. Too many agents try for a close too soon. Build up to the close but don't push for it. When the agent has said all he has to, he should close and not extend his stay. He can grade himself after each sales talk. Self-examination in retrospect will reveal weak points.

#### How to Make a Speech

Prof. E. W. Muehl, department of public speaking at Yale, told agents how to make a speech when called upon to do so. Before preparing an outline, "mull the topic over in your mind for several days. Many speakers prepare their talks too soon before delivery. This often makes it stagnant. Make your outline about two days before delivery. Talk it over with people. Delivery will be easier if while preparing the talk you visualize your audience. Make the talk interesting by injecting anecdotes because anyone can quote straight facts or statistics. Within limits of dignity, relax before your audience. Make the transitions from one point to another smooth. Every talk should be summarized at its close."

Work simplification was discussed by Carleton Clift, coordinator of New England Mutual Life, who stated that every operation in the agency should be analyzed with an eye to possible simplification, elimination or combination with other operations. Time allotments should be allowed for each office operation. He advised agents to observe each office operation to find out where the bottlenecks are. He estimates that 40% of a clerk's time is spent checking data on policies.

#### Latest Equipment

The latest mechanized office equipment was explained in detail by Mr. Clift. He said that offices using noiseless typewriters turn out 25% more work.

How to select agency personnel was discussed by Frederick M. Senf, personnel manager, Fafnir-Bearing Co., New Britain, Conn. When looking for new office help, he said, explore each candidate's aptitude, personal and business background. Every turnover costs from \$100 to \$500. Therefore, be certain the person is qualified before hiring him. The duties of every position should be fully described to the applicant so he may be measured against them.

Keep on file a complete description of every job in the agency. In this way, if an employee suddenly leaves, the breaking-in process of a new person will be easier. One agent suggested each office worker should know the others' duties so he may fill in during sickness or vacations. This also discourages the frequent, uncooperative spirit of the employee who feels he is indispensable.

#### Profit Sharing Plans

Not on the scheduled program but of great interest to agents was the discussion of an agency profit-sharing plan. Mr. Ackerman stated that since the end of the last war more and more agencies have adopted such plans. These fall into two categories, current distribution and deferred payment. There is a great merit in the deferred plan by which an employee receives his share only if he terminates his employment, is permanently disabled, retires, or at death when his share is assigned to his kin. An employee's share of agency profits should be determined by length of service, earnings, management responsibilities, production, efficiency and merit. A point system which takes all these factors into consideration is the most equitable. Any profit sharing plan distributes responsibility for office efficiency equally among all employees.

Although the daytime schedule was full, there was enough time for a cocktail party, a banquet and sports. Every evening there was a bull session when agents and instructors treated in detail particular agency problems. Many agents

stressed the importance of keeping office records up to date so that at a glance it is possible to determine outstanding accounts.

The agents differed greatly in their convictions on advertising. What one agent found advantageous the others did not. An analysis of each agent's advertising budget revealed that many concentrated their advertising strength in distributing gimmicks such as yardsticks, blotters, etc., bearing their agency's name. One agent has found it more profitable to distribute more expensive items to a few select clients.

## Find Harlem Loss Frequency High

(CONTINUED FROM PAGE 15)

the department has suggested companies make higher limits available.

At several points, the committee, notably Sen. Friedman and Chairman W. F. Condon, state senator, expressed real concern over the inability of anyone eventually being unable to get coverage. Though no witness was able to testify that insurance they failed to place was not subsequently placed elsewhere, the possibility of a state fund to supply such risks insurance was hinted two or three times by members of the committee.

T. Morgan Williams, vice-president of Home in charge of the metropolitan department, produced figures asked for by the committee. In Manhattan, Bronx and Brooklyn Home has 297,000 fire policies in force, 15,381 in west Harlem for more than \$95 million of liability and 2,559 in east Harlem for \$15 million liability, or a total of 17,940 policies for \$111,671,262. In the critical underwriting period of a few years ago, he added, when the company was reviewing brokerage accounts to determine if they were profitable, it cancelled 274 brokerage licenses in New York City, 60 of them in Harlem.

Harry Hansen, Hartford Fire special agent, said his company's general practice is to give a broker a chance to have insured clean up his property before cancelling or not renewing. The average household furniture policy in the metropolitan area is \$4,000 to \$5,000, he said.

He would not write a line for one broker which the company had turned down when offered by another, Charles A. Collin of Phoenix-Connecticut group, stated. Mr. Collin's testimony was vigorous, salty, and made a strong impression on the committee. His group has more than 3,000 mapped risks in Harlem for more than \$15 million of liability. It uses a retired fireman to inspect the risks to determine whether they are above for their class or below. Then it has arranged with a credit agent to inspect every six months where necessary, at a cost of \$6,000 a year. Mr. Collin's hope is that by close check and follow-up the office can tell if it is going to come out in this particular congested area as well as others in New York City.

When A. J. McNaught, president of United Brokers Assn., the colored group, was on the stand Sen. Friedman bluntly told him there is no way the committee can legislate so that the insurance companies will agree with individual brokers every time on the acceptability of a risk; the only thing the committee can do is to see that there is no discrimination because of color.

Sen. Friedman drew an admission from Mr. McNaught that the latter thought the committee had been fair. Mr. Friedman then declared that the committee may not be able to recommend legislation, at least on the basis of evidence that the colored brokers had so far produced. These are private insurance companies, entitled to a profit. Mr. Friedman added. A state fund may be the answer though he hastened to say that the committee would not necessarily recommend that step. Mr. McNaught was just as quick to say that the brokers are not in favor of a state fund.



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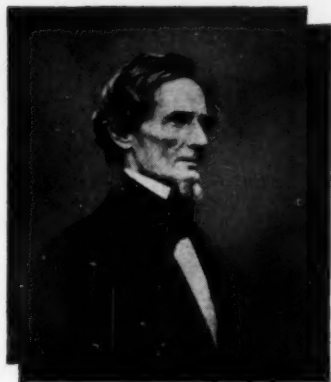
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# Famous American Homes

## Beauvoir

### RETREAT TO SERENITY

"THE ORANGES are shining on the trees and our pine-knot fires soar in the chimneys; in their light I try to bury my unhappiness;" thus Jefferson Davis wrote of Beauvoir, the plantation near Biloxi where he spent the last twelve years of his life. His childhood too was spent in Mississippi for, though he was born in Kentucky in 1808, when he was still an infant his family moved to a plantation near Woodville.

While serving in the army after his graduation from West Point, Davis fell in love with Sarah Knox Taylor, daughter of a future President. Colonel Zachary Taylor opposed his suit, however, principally because he was unwilling to have his daughter marry a soldier and it is said that Davis challenged him to a duel but eventually the young couple were married. Resigning from the army, Davis took his bride to Mississippi but within three months she died of malarial fever.

Varina Howell who became Davis's second wife reported on first meeting him that she found him "refined and cultivated" in spite of being a Democrat but would never like him as well as his brother Joe. Nevertheless, their marriage was marked by deep and enduring devotion. At one time Davis, who frequently suffered from ill health, would have lost his sight had it not been for his wife's care.

During the Mexican War Davis re-entered the army and won the nation's homage for his heroism at the battle of Buena Vista where, though wounded, he continued to lead the attack. Within twelve months he became Congressman, colonel, brigadier general and Senator. Later, he served as



Memorial Arch at main entrance to Beauvoir

Secretary of War under President Pierce.

Davis was in the rose garden at Brierfield, his Mississippi plantation, when word came that he had been appointed President of the Confederate States. As he had aspired to command the Southern armies, he received the message so sadly that his wife feared it told of disaster.

Broken in health and spirit after the tragedy of war and his imprisonment in Fortress Monroe, Davis tried various occupations and for a time was head of an insurance company. At length he found sanctuary at Beauvoir which the owner, Mrs.

Sarah A. Dorsey, generously put at his disposal, and here Davis devoted himself to writing. Of his six children all four sons died before Davis passed away in 1889.

Built soon after 1855, Beauvoir is now maintained as the Jefferson Davis Shrine by the Mississippi Divisions of the United Sons of Confederate Veterans and the United Daughters of the Confederacy.

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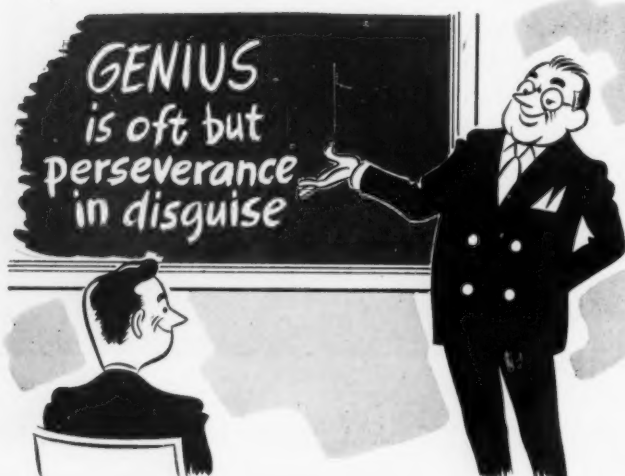
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